

III. STATE PROFILE

A. DEMOGRAPHICS AND MARKET AND INVENTORY CHARACTERISTICS

1. POPULATION -

- Unlike the previous decade, the State's population has been increasing in recent years.
- In absolute terms, the greatest increase has occurred in metropolitan counties.
- The non-metropolitan-counties have had the largest relative increase.
- Ten of the State's 83 counties have lost population.
- Just two metropolitan counties --- Saginaw and Bay counties lost population.
- The Upper Peninsula is over represented among the counties with declining populations.
- Oakland, Macomb and Kent counties have had the largest absolute increases in population.
- Lapeer and Livingston counties are among the counties with the greatest relative growth.
- Relative increases in population are high in rural counties that have previously been resort or summer communities.

According to the most recent Census population estimates, Michigan has grown by more than half a million persons since the time of the 1990 Census. The State's estimated 1998 population was 9.8 million persons. This 5.6 percent rate of increase is in contrast to the lack of growth experienced during the preceding decade. Nearly 83 percent of the State's population, 8.1 million persons, live within a Census-designated metropolitan area, while just over 1.7 million of the State's residents live in a non-metropolitan area. The population of the State's 58 non-metropolitan counties grew at a rate that exceeded that of the State as a whole, seven percent, while the 25 metropolitan counties had a slightly slower rate of growth at 5.4 percent. In absolute numbers, the metropolitan counties accounted for four-fifths of the increase in population, some 412,000 persons. The non-metropolitan counties grew by 110,000 persons.

ESTIMATED CHANGE IN POPULATION 1990 to 1998

	Population 1990	Population 1998	Change	Percent Change
State	9,297,287	9,819,240	521,953	5.6%
Metropolitan Counties	7,697,643	8,109,923	412,280	5.4%
Non-metropolitan Counties	1,599,644	1,709,317	109,673	6.9%

Source: U. S. Census Bureau

Twenty-nine of the State's 83 counties experienced a rate of change in population less than the statewide rate of 5.6 percent. Ten of the 29 actually lost population. Non-metropolitan counties accounted for eight of the ten counties with population loss. Saginaw and Bay counties are the only metropolitan counties estimated to have lost population since the Census. The estimates show Iosco with the largest relative loss, 17 percent, and the second largest absolute loss, 5,100 persons, while Marquette County had the second largest relative loss, 13

percent, and the largest absolute loss, 9,300 persons. These two counties accounted for 65 percent of the 22,000 person loss among the ten counties with population declines. Ontonogan County had an estimated loss of 1,000 persons, eleven percent of its total population. Gogebic is also estimated to have lost close to 1,000 persons, about five percent of its total population. The other counties with declining populations had rates of decline of two percent or less.

The rates of population increase ranged from a high of 26 percent to less than one percent. Eleven of the 54 counties with growing populations had rates of increase more than three times the statewide increase. Just two of these eleven -- Livingston and Lapeer -- were metropolitan counties. Livingston County had the greatest relative increase at 26.4 percent, representing the addition of some 30,500 persons. Lapeer County had an 18 percent increase in population, adding some 13,500 persons.

In a continuation of a trend observed during the previous decade, the population of established resort areas was boosted by an influx of full-time residents. Otsego County, with the second greatest relative increase (23.2 percent), gained 4,200 persons, while Keweenaw, which had the third highest relative gain (22.1 percent), increased by just 376 persons.

Oakland County had the largest increase in absolute terms, some 93,000 persons, followed by Macomb County with just over 70,000 persons. Kent County was third with an increase of 44,500 persons. These three counties accounted for two-fifths of the State's total population gain.

2. AGE DISTRIBUTION -

- The State's population is aging.
- The median age has increased nearly three years since 1990.
- The relative increase among the extremely frail elderly, those 85 years of age or older is second only to the relative increase among the 45 to 54 year olds.

Michigan is no exception to the phenomenon known as the 'graying of the population'. Median age in the State is estimated to have increased by close to three years from 32.5 years of age at the time of the 1990 Census to 35.2 years of age in mid-1997. The proportion of the population under 65 years of age declined by half a percentage point, as the proportion of elderly, those 65 years of age or older, increased by half a percentage point. The larger relative declines (around 10 percent) occurred among persons 20 to 29 years of age and 60 to 64 years of age. The 45 to 54 year olds, which includes a large proportion of the Baby Boomers, increased by a third, an absolute increase of 316,500 persons. The next largest relative increase is reported among those 85 years of age or older, whose numbers increased by 26 percent, an increase of some 27,000 persons since 1990. The whole elderly cohort, those 65 years of age or older, increased by 10 percent, close to 110,000 persons. The elderly accounted for 12.4 percent of the total population according to mid-1997 estimates, compared to 11.9 percent at the time of the 1990 Census.

3. RACE -

- The proportion of minority populations is increasing.

- Blacks are the largest minority population, representing 14 percent of the total.
- Two-thirds of the Blacks in the State live in Wayne County.
- Asian/Pacific Islanders is the fastest growing minority population.
- The minority population is concentrated in the metropolitan areas.
- The non-metropolitan counties are overwhelmingly White.
- A high proportion of Native Americans lives in metropolitan counties, mainly Wayne, Oakland and Kent counties.

While the population of the State remains predominantly white, with an estimated 8.2 million persons in this racial category, the share of Whites among the population is declining as minority populations increase. In 1990, 84.2 percent of the State's population was White. By 1997, despite increasing in absolute numbers, it is estimated that Whites account for 83.6 percent of the total population, a 0.6 percentage point decline. Statewide, the proportion Blacks increased by 0.2 percentage point from fully 14 percent of the 1990 population to 14.2 percent in 1997. The estimated increase in the share of Asians/Pacific Islanders is the largest. In 1990, this racial group represented 1.1 percent of the total population. By 1997, it is estimated that Asian/Pacific Islanders accounted 1.5 percent of the total. While Native Americans increased in absolute numbers, there was no increase in their proportional representation among the total population. In both 1990 and 1997, Native Americans represented 0.6 percent of the population Statewide.

Minority populations are more likely to be concentrated in the metropolitan areas of the State, accounting for one person in five. The State's non-metropolitan counties, in contrast, are overwhelmingly White. Racial minorities account for just three percent of the population of the non-metropolitan counties.

DISTRIBUTION OF THE MINORITY POPULATION 1997

	White	Black	Native American	Asian/ Pacific Islander
State	83.6%	14.2%	0.6%	1.5%
Metropolitan Counties	80.8%	16.9%	0.5%	1.8%
Non-metropolitan Counties	96.7%	1.4%	1.3%	0.5%

Source: U. S. Census Bureau

There were an estimated 1.4 million Blacks in the State in mid-1997, representing 14 percent of the total population. Close to 17 percent of the population of the metropolitan counties was Black, compared to less than two percent of the non-metropolitan county population. Nearly two-thirds of the State's Black population lived in Wayne County. The 900,000 Blacks in Wayne County represented 42 percent of the total population of that County. In Genesee County one resident in five, some 90,000 total, was Black, while slightly less than one in five Saginaw County residents were Black. The Black population in Saginaw County is estimated at 40,000 persons.

Lake County had the highest proportion of Blacks of any of the non-metropolitan counties. Just

over 14 percent of the population of this former Black resort area, some 1,500 persons, was Black. Chippewa County had the second highest proportion, seven percent, and the largest absolute number, 2,700 persons, of Blacks in a non-metropolitan county. One person in 20 in both Luce and Alger counties were Black. This represents 330 persons in Alger and 520 persons in Luce.

The State's Native American population is quite small, just 60,000 persons total. About two-thirds of the Native Americans live in metropolitan counties. Wayne County has the largest absolute number of Native Americans, 8,300 persons total, followed by Oakland County with 4,300 Native Americans. Macomb, Kent and Genesee counties each have about 3,000 Native Americans. Because of the large populations of these metropolitan counties, however, the Native American segment is relatively small, representing less than one percent of the total population.

Native Americans are a much more significant proportion of the population in some of the non-metropolitan counties, particularly those in the Upper Peninsula. Mackinaw County has the highest proportion of Native Americans among the non-metropolitan counties. The 1,700 Native American residents of Mackinaw County represent 15 percent of the total population. Native Americans account for ten percent of the population of both Chippewa and Baraga counties. While this represents just 900 persons in Baraga County, the absolute number of Native Americans in Chippewa County is 4,000, making Chippewa County third highest of all the State's counties in the number of Native American residents.

The Asian/Pacific Islander population is about two and a half times the size of the Native American population, some 151,000 persons. Ninety-five percent of the Asian/Pacific Islander population lives in the metropolitan counties of the State. Both the globalization of the auto industry and national immigration policies have had an impact on growth in the Asian/Pacific Islander population in the State. Frequently, a correlation can be made between high concentrations of this racial group and the presence of a College or University. Washtenaw County has the highest proportion of Asian/Pacific Islander at 5.6 percent, while Oakland and Wayne Counties have higher absolute numbers, 37,000 and 30,000 respectively. The number of Asian/Pacific Islander's in Oakland County is the highest of any county in the State.

Houghton County and Isabella County provide two clear examples of the correlation between institutions of higher learning and concentrations of Asian/Pacific Islanders. Houghton County has the largest proportion of Asian/Pacific Islander among the non-metropolitan counties. The 800 Asian/Pacific Islander in Houghton County represent 2.2 percent of the total population, while the 675 Asian/Pacific Islander in Isabella County represents one percent of the County's total population. The 123 Asian/Pacific Islander in Luce County accounts for just under two percent of the total population there. One percent of the population of Iosco County, some 300 persons, is Asian/Pacific Islander, as well.

4. ETHNICITY -

- The number of Hispanics statewide increased by 26 percent.
- Most Hispanic live in metropolitan-counties, with Wayne County accounting for the majority.

- Hispanics are also found in higher concentrations in farming areas, where they have taken up permanent residence after having originally gone to the areas as migrant laborers.

An estimated 253,834 Hispanics were residents of Michigan in 1997. This is a 26 percent increase since 1990. The majority of the State's Hispanic population, nine in ten persons, lived in metropolitan counties. At 60,600 persons, Wayne County had the largest Hispanic population, followed by Oakland County with 25,600 and Kent with 19,244 Hispanics. Saginaw and Oceana counties had the highest proportions of Hispanics, each at 7.4 percent of the total population. The proportion of Lenawee County residents estimated to be Hispanic was also above seven percent.

DISTRIBUTION OF THE HISPANIC POPULATION 1997

	Hispanics
Metropolitan Counties	90.5%
Non-metropolitan Counties	9.5%

Source: U. S. Census Bureau

5. HOUSEHOLDS -

- As household size continues to decrease, growth in the number of households statewide exceeds population growth.
- Change in household numbers mirrors the estimated changes in population.
- Household growth is greatest in non-metropolitan counties.
- Kent and Ottawa counties have had the third and fifth largest increases in the absolute number of households.

Just as the State's population increased, so did the number of households. In fact, household numbers increased at a rate that exceeded that for the population, largely because of the trend to smaller households. In 1998, the number of households statewide is estimated to have been just under 3.7 million, compared to 3.4 million in 1990. This 7.7 percent increase in household numbers represents the addition of 264,600 households over the eight years. The rate of household growth in the non-metropolitan counties exceeded that in the metropolitan counties by 2.6 percentage points. The non-metropolitan counties accounted for 22 percent of the increase in household numbers statewide. In 1990, close to 83 percent of the State's households were in the metropolitan counties. By 1998, the metropolitan counties accounted for just 82.4 percent of the households statewide.

**ESTIMATED CHANGE IN HOUSEHOLD NUMBERS
1990 to 1998**

	1990 Households	1998 Households	Change	Percent Change
State	3,419,331	3,683,924	264,593	7.7%
Metropolitan Counties	2,831,043	3,037,205	206,162	7.3%
Non-metropolitan Counties	588,288	646,719	58,431	9.9%

Source: Claritas, Inc.

Otsego County had the largest relative increase in household numbers, at 30 percent. Livingston County was second with a 28 percent increase in household numbers, followed by Keweenaw County (27.2 percent), Benzie County (25.4 percent), Roscommon County (24.1 percent) and Lapeer County (23.0 percent). Because of the small base of households in the non-metropolitan counties in 1990, the large relative increases do not translate to large absolute increases. It is estimated that Otsego County grew by just under 2,000 households, Benzie by 1,200 and Keweenaw by just 200. For Livingston County, however, which had nearly 39,000 households in 1990, the 28 percent increase means the addition of 11,000 households in eight years. The increase for Lapeer County is 5,700 households.

Three counties are estimated to have lost households - Iosco, Marquette and Ontonagon. Marquette's estimated loss is the largest in relative terms at 15 percent, while Iosco is estimated to have had a 12 percent decline. In Ontonagon, a relative decline of three percent is estimated. Again, being non-metropolitan counties, the 1990 base is small, meaning large relative declines do not necessarily yield large absolute declines. In absolute numbers, Marquette is estimated to have lost 3,800 households, while Iosco lost 1,400 and Ontonagon just 110.

The largest absolute increase in household numbers is reported in Oakland County, which is estimated to have gained 53,000 households in eight years. Macomb County with a 19,500 household increase is second and Wayne County with a 15,250 increase is fourth. Kent and Ottawa counties had the third and fifth largest estimated increases in household numbers. Kent County is estimated to have gained 16,000 households, while 12,500 additional households were added to Ottawa County.

6. ECONOMIC INDICATORS -

- The State's median income is estimated to have increased by 35 percent since 1990.
- Several of the State's non-metropolitan counties, with their lower median household incomes have had the largest relative increases.
- Livingston County has had the largest absolute increase in median income.
- Keweenaw and Lake counties have high proportions of households with incomes under \$15,000.
- The decreasing unemployment rate statewide has undoubtedly played an instrumental role in boosting median incomes.
- Unemployment in eight counties has increased since 1990.

- Declining unemployment, coupled with changes to the welfare system, have led to substantial declines in welfare caseloads.

Median income for the State's households is estimated to have increased by some \$10,000 from 1989 to 1998. In 1990, median household income was \$31,066. The 1998 median is estimated to be \$41,831, an increase of 35 percent. Estimates of changes in median income by county indicate that median incomes in 34 counties are increasing at a rate greater than the statewide rate. It is estimated that Kalkaska County has had the greatest relative increase, some 53 percent. The \$22,166 median household income in 1989 is estimated to have increased to \$33,868 by 1998. Other Upper Peninsula counties are at the opposite end of the spectrum. Schoolcraft and Presque Isle counties are estimated to have had the lowest rates of increase, at 12 and 13 percent, respectively. Schoolcraft County's increase of \$2,480 is also the smallest in absolute numbers, with Keweenaw second with an increase of \$2,574 and Presque Isle third with a \$2,783 increase. The largest increase in absolute numbers is estimated for Livingston County (\$18,800), followed by Washtenaw County (\$18,252), Oakland County (\$17,305), Kent County (\$16,377) and Ottawa County (\$16,246).

Another way to look at income is to examine where concentrations of poverty may exist. Absent a universal definition of poverty that ignores such factors as location or household size, households with annual incomes of less than \$15,000 was used as a substitute on the assumption that these lower income households could reasonably be expected to have difficulty obtaining adequate housing at an affordable level. At the time of the 1990 Census, a third (34.1 percent) of the State's households had annual incomes of less than \$15,000. In 20 of the State's counties, the proportion of these lower income households was less than the statewide proportion. Seventeen of the 20 were metropolitan counties. Just three -- Leelanau, Grand Traverse and Shiawassee -- were non-metropolitan counties. Livingston County had the lowest proportion of households with incomes less than \$15,000, just one in ten. More than half the households in both Keweenaw and Lake counties had incomes less than \$15,000.

According to estimates by Claritas, Inc. the proportion of lower income households in the State has declined markedly since 1990. By 1998, Claritas estimates that the statewide proportion of households with incomes less than \$15,000 was closer to one in six. Just one Livingston County household in 14 is estimated to have had an income less than \$15,000. Oakland and Ottawa counties are also estimated to have fewer than ten percent lower income households. While similar improvements have also been estimated for Lake and Keweenaw counties, the proportions in these two counties remain the highest, at 38 percent and 47 percent, respectively.

As incomes have been rising, the statewide unemployment rate has been declining. In 1990, the State had an unemployment rate of 7.5 percent compared to 3.4 percent in 1998. Thirty counties have had declines that were greater than 4.1 percentage point decline Statewide, while one has matched it. The rate of unemployment in Ionia County declined by eight percentage points from 12.2 percent in 1990 to 4.2 percent in 1998. Saint Joseph and Montcalm counties had six percentage point declines. Just eight of the State's 83 counties have had an increase in unemployment rates over the past eight years. They are Emmet, Gogebic, Crawford, Roscommon, Luce, Ontonagon, Mackinac and Oscoda counties. Oscoda had a three percentage point increase from 5.4 percent in 1990 to 8.8 percent in 1998.

Data on State transfer payments can also provide insight into the economic well being of residents. The Family Independence Agency (FIA) provides data on caseloads and applications for benefits for the State, as well as by county. In 1998, the average number of unduplicated recipients of State assistance payments¹ was 755,531. Comparable reporting is not available back to 1990, however. It was not until 1992, that the FIA (then the Department of Social Services, DSS) provided unduplicated counts. At that time, there were just over a million recipients. In the ensuing six years the number of recipients declined by nearly a quarter. The majority of the recipients lived in the State's metropolitan counties. The 841,500 recipients in metropolitan counties in 1992 declined to 645,300 recipients in 1998. The relative decrease in the number of recipients in metropolitan counties, 24 percent, was 1.4 percentage points less than the relative decrease statewide. The number of recipients in non-metropolitan counties declined by 32 percent, some 51,000 persons over the same period, a rate of decline that exceeded the statewide rate by seven percentage points. As a result of the smaller decline in the metropolitan counties, the proportion of recipients in metropolitan counties increased from, 84 percent in 1992 to 86 percent in 1998.

Livingston County recorded the largest relative decrease in recipients. The number of recipients there declined by more than half. Eleven counties had relative declines of 40 percent or more. Twenty-two counties had declines smaller than the statewide rate, with Gogebic County, at ten percent, reporting the smallest relative change. The number of recipients in Wayne County declined by 21 percent, less than the rate statewide, while the County had the largest decline in absolute numbers, some 82,000 recipients. Genesee County was second in the absolute number of recipients no longer receiving benefits, 18,300 fewer in 1998 compared to 1992. The effects of the State's strong economy and the welfare-to-work policy are the most likely causes for the declining number of assistance recipients. In 1992, the State and the nation were at the bottom of a recessionary period. Since then the economy has improved markedly, leading to labor shortages in some areas. At the same time, the State has instituted a program that requires recipients to work or to receive training, while limiting the length of time they are eligible to receive benefits.

7. MARKET AND INVENTORY CONDITIONS BASED ON 1990 CENSUS-

According to the 1990 Census of Population and Housing, there are almost 3.85 million housing units in the State of Michigan. Of this total, some 224,000 are for recreational, seasonal or occasional use, reflecting the importance of tourism in many Michigan counties. Of the 3.4 million occupied housing units in the state, 2.4 million are owner occupied and just under 1 million are renter occupied. Just over 71 percent of all occupied units are owner occupied.

Of the 429,000 vacant housing units in Michigan, about 107,000 are available for occupancy. The balance of the vacant units, some 321,000 in total, includes the seasonal units (224,000) along with units held off the market for other reasons. The rental vacancy rate (available for rent units divided by the total of renter occupied units and available for rent units) was 7.2 percent. The owner occupied vacancy rate was 1.2 percent according to the Census figures.

¹ Family Independence Program (FIP), State Assistance (SA), State Emergency Relief (SER), Energy Assistance (EA) and Food Stamps (FS)

Housing units with 1 or fewer bedrooms account for just over 11 percent of the occupied housing stock. Not surprisingly, over 85 percent of these small occupied units are rented. Owner occupied units with no more than 1 bedroom represent only 2 percent of all owner occupied units, but almost one-third of the renter occupied units. About 18 percent of all of these small units are vacant. Although most (61 percent) of the 83,000 vacant, zero, and 1 bedroom units are not currently available, this is a lower percentage of unavailability than is the case for larger units, where fully three-quarters are classified as other vacant. The rental vacancy rate for small units is about 8.5 percent, while the owner occupied vacancy rate is 3.5 percent.

About 3 of every 10 housing units in Michigan have 2 bedrooms. Of the 963,516 occupied 2 bedroom units, about 57 percent are owner occupied. The vacancy rate for these owner occupied units is 2.1 percent. The 11,800 vacant for rent 2 bedroom units represent a vacancy rate of 7.7 percent. The proportion of unavailable units among all vacant 2 bedroom units is the same as the comparable proportion for all housing units in Michigan (75 percent).

Large units, that is those with 3 or more bedrooms, represent 58 percent of the housing stock and almost 61 percent of the occupied housing stock. Some 88 percent of these large units are owner occupied. There are, nevertheless, almost one-quarter million large renter occupied units in Michigan. The renter vacancy rate for these large units is under 5 percent. The owner vacancy rate for large units is also relatively low at 0.9 percent. Almost 5 of every 6 vacant large units are not available for either sale or rent.

The total number of housing units in the 25 metropolitan counties of Michigan is just over 3 million. Of these, 2.83 million are occupied, 856,000 by renters and 1,974,000 by owner occupants. There are more than 3 times as many vacant for rent units as there are vacant for sale units. The owner vacancy rate is 1.1 percent, while the rental vacancy rate is 7.3 percent.

Almost half of the vacant units are not currently available either for sale or rent. About 32,000 of the other vacant units are for seasonal, recreational, or occasional use. Overall in the metropolitan counties, 18 percent of the vacant units fall in this category. In Lenawee County, 5 of every 8 vacant units are unavailable because they are used on an occasional basis. In 4 other metropolitan counties -- Allegan, Berrien, Livingston, and Van Buren -- the proportion is greater than half. These counties have a combination of attractive natural features in proximity to urban centers, which make them desirable locations for recreational and seasonal use.

About 1 of every 8 housing units in the metropolitan counties has zero or 1 bedrooms. Of the 332,000 units of this size that are occupied, 88 percent are renter occupied. There are fewer than 40,000 owner occupied small units in Michigan's metropolitan counties, representing just over 2 percent of all owner occupied units in these communities. The vacancy rate for these small units is somewhat above average, at 8.5 percent for rental units and 2.5 percent for owner occupied units. Most of the vacant small units are available, however. Less than 35 percent of the vacant small units are reported in the other category, considerably less than the 48 percent of all vacant units in metropolitan counties that are not available.

Two bedroom units make up almost 29 percent of the total supply in the metropolitan counties. Over 91 percent of these units are occupied, 54 percent by owner occupants. Of the 430,000 2

bedroom owner units, just under 2 percent are vacant. The vacancy rate for the 390,000 2 bedroom rental units is 7.7 percent, slightly above the vacancy rate for all rental housing in the metropolitan counties. The number of other vacant 2 bedroom units is greater than that of any other size unit in the metropolitan counties.

There are twice as many housing units in the metropolitan counties with 3 or more bedrooms as there are 2 bedroom units, about 1.77 million. Of the 1.72 million occupied large units, only 204,000, or 12 percent, are renter occupied. The 1.5 million owner occupied large units represent over three-quarters of all owner occupied units in the metropolitan counties. The owner vacancy rate is under 0.8 percent. The vacancy rate for renter units is also relatively low, 4.8 percent. Some 59 percent of all vacant units with 3 or more bedrooms are not available.

In the 58 nonmetropolitan counties of Michigan, the importance of seasonal units is clear. Of the 845,000 housing units in these counties, only 588,000 are occupied. Of the 256,000 unoccupied units, however, 192,000 or 75 percent, are held off the market for recreational or occasional use. In 5 of the counties -- Alcona, Crawford, Montmorency, Oscoda, and Roscommon - more than 90 percent of the vacant units are held for recreational or occasional use. In fact, Roscommon County alone has more than 10,000 vacant properties. An additional 15 counties have at least 80 percent of their vacancies held off the market for occasional use by their owners.

Seventy-seven percent of the occupied units are owner occupied. This is a substantially higher proportion than in the metropolitan counties. The owner vacancy rate is also relatively high at 1.8 percent. The rental vacancy rate, 6.9 percent, is less than in other parts of the state. Out of a total of 51,000 zero and 1 bedroom units, only 29 percent are owner occupied. The owner vacancy rate is above 6 percent for this size of unit. The vacancy rate for small rental units is also high, almost 9 percent.

About 7 of 10 of the occupied 2 bedroom units in the nonmetropolitan counties are owner occupied. There are 55,000 renter occupied units of this size. The owner vacancy rate is 2.5 percent while the rental vacancy rate is 7.2 percent. There are almost 98,000 other vacant 2 bedroom units in the nonmetropolitan counties, representing 94 percent of the reported vacancies. Almost 312,000 of the 356,000 occupied large units in the metropolitan counties are owner occupied. The 44,000 3 bedroom or larger rental units represent only 12 percent of the total. The rental vacancy rate in this size unit is relatively low, 4.8 percent, while the owner vacancy rate is close to the average at 1.3 percent.

8. UPDATE OF MARKET AND INVENTORY CONDITIONS -

Data to update the market inventory since the 1990 Census are extremely limited. Information on building permits can provide some indications of the change in the supply. Since 1990, an estimated 406,200 units have been permitted according to Census Bureau data. Single family units have accounted for four-fifths of these new units. The metropolitan counties have accounted for the majority of the new units permitted. Four units in five have been permitted in the metropolitan counties. The permitting of multifamily units was even more concentrated in the metropolitan counties. Just one multifamily unit in ten was let in a non-metropolitan county.

BUILDING PERMIT DATA

1990 to April 1999

	Single Family Units Permitted	Multifamily Units Permitted	Total Units Permitted
State	330,627	75,605	406,232
Metropolitan Counties	321,643	67,586	332,643
Non-metropolitan Counties	76,570	8,019	84,589

Source: U. S. Bureau of the Census

These data fail to show the entire picture, however. First, the designation of single family and multifamily does not distinguish between sale and rental units. Only structure type can be determined based on permit data. Nor was information on demolitions provided. So that only gross changes to the supply can be estimated. In an attempt to compensate for the lack of demolition data statewide, the permit data were augmented with demolition data available from the Southeast Michigan Council of Governments (SEMCOG). The seven counties in the SEMCOG region accounted for just under half (46 percent) of the State's housing supply reported in the 1990 Census and three-fifths of the units in the metropolitan counties. These same seven counties account for 46 percent of the reported permits let since 1990 and 58 percent of the units permitted in the metropolitan counties. Wayne County accounted for 87 percent of the 51,000 demolished units reported by SEMCOG since 1990. Wayne County is the only county statewide where the housing supply has declined based on permit and demolition information. The majority of these demolitions (90 percent) occurred in the city of Detroit.

CHANGE IN SUPPLY INDICATED BY BUILDING PERMIT AND AVAILABLE DEMOLITION DATA 1990 to April 1999

	1990 Units	1999 Units	Change	Percent Change
State	3,847,926	4,203,093	355,167	9.2
Metropolitan Counties	3,013,339	3,283,917	270,578	9.0
Non-metropolitan Counties	834,587	919,176	84,589	10.1

Source: U. S. Bureau of the Census, SEMCOG

The non-metropolitan supply of housing units increased at a slightly higher rate compared to the metropolitan counties, ten percent versus nine percent. The housing supply in Livingston County increased by more than a third, the highest relative increase among the 83 counties. Ottawa County recorded the second largest relative increase at 26 percent. Benzie and Leelanau counties had the third and fourth highest relative increases. The increases in the supply in Benzie and Leelanau, and even Ottawa, counties may include a significant number of units held for seasonal use. The data do not distinguish between seasonal and year-round units.

In absolute terms, Oakland, Macomb and Kent counties had the largest increase in supply, both the single family and the multifamily supply. Oakland County permitted a significantly larger

number of multifamily units than any other county, nearly 60 percent more than Macomb County, the second highest perimeter of multifamily units.

9. HOUSING VALUES AND RENTS -

The 1990 Census reports the owner occupants estimate of the value of their home for more than 1.9 million units. The median value for all of these units was \$60,600, making Michigan's housing stock relatively affordable. Three of every 8 units in the state were valued at less than \$50,000. An additional 42 percent, a total of over 814,000 dwelling units, were in the \$50,000 to \$99,999 price range. The 300,000 units valued at between \$100,000 and \$199,999 represent some 15 percent of the total owner occupied supply.

Over 84 percent of the specified owner occupied units are located in the metropolitan counties of the state. There the median value was estimated to be \$67,300. More than 1 of every 5 units in the metropolitan area had a value in excess of \$100,000, while less than 35 percent of the units were in the under \$50,000 category. Forty-four percent of all of these units, a total of 710,000, were in the \$50,000 to \$99,999 price range.

The highest owner occupied housing values are generally found in the southeast part of the state in the Detroit-Ann Arbor consolidated statistical area. Livingston, (\$97,300), Washtenaw (\$96,000), and Oakland (\$95,400) had the highest median value for owner occupied units among the metropolitan counties. Macomb and Ottawa Counties, at \$76,800 and \$74,600, respectively, were also relatively high. Calhoun County, with a median value of \$42,700, was the lowest of the metropolitan counties.

Home values are considerably lower in most of the nonmetropolitan counties in Michigan. Well over half (58.5 percent) of the owner occupants in these areas value their property at less than \$50,000. An additional 35 percent reported values between \$50,000 and \$99,999, with the result that less than 7 percent of all homes in the nonmetropolitan counties had an estimated value of more than \$100,000. While there were more than 65,000 homes in the metropolitan counties valued at more than \$200,000, the corresponding figure in the nonmetropolitan counties is less than 2,600.

There is an extremely broad range of median values among the nonmetropolitan counties. In Keweenaw County, the median home price is only \$19,200. At the other extreme, Leelanau and Grand Traverse Counties reported median values of \$73,100 and \$66,700, respectively.

Across the state, the median contract rent for the 925,000 rental units was reported to be \$343. Most units, 58 percent of the total, rented for between \$250 and \$499 a month. About one-quarter rented for less and one-sixth for more than this amount.

In the metropolitan counties of Michigan, the median rent was somewhat higher, about \$366 a month. The proportion of lower rent units was slightly less than the statewide average, at 23 percent. The metropolitan counties accounted for all but 1,200 of the units renting for more than \$750 a month.

Oakland and Washtenaw Counties had the highest median contract rents, at \$495 and \$490,

respectively. Livingston, Macomb, and Ottawa Counties were the only others with median rents of more than \$400. Van Buren, Bay, and Muskegon Counties each reported a median rent of less than \$300.

Over two-fifths of the rental units in the metropolitan counties had rents of less than \$250 a month. Although a majority of all units were in the same \$250 to \$499 rental range, as was the case in the metropolitan counties, the median in the rural areas of Michigan was only \$286. Barely 1 unit in 20 in the nonmetropolitan counties rented for more than \$500 a month.

Several of the counties in the Upper Peninsula, led by Keweenaw where the median rent is \$141, reported median rents of less than \$200 a month. Other counties in this category include Baraga, Gogebic, Iron, and Ontonagon. Only 3 nonmetropolitan counties, Grand Traverse, Isabella, and Emmet, had median rents in excess of \$300 a month.

10. SUBSTANDARD HOUSING BASED ON 1990 CENSUS -

There are 3 measures of housing quality provided in the 1990 Census. One is overcrowding, defined as more than 1 person per room. This measure relates to the use which is made of the unit. The other 2 measures relate to the structural characteristics of the unit. One is the lack of complete plumbing for the exclusive use of the occupants and the other is the age of the structure. Problems with overcrowding can be corrected if the size of the household using the unit changes to one that is more appropriate for the size of the unit. Inadequacies which result from a lack of plumbing can be corrected, while the age of the unit is fixed and is never correctable.

In Michigan as a whole, 2.6 percent of the occupied housing units were overcrowded in 1990. Just under 1 percent of the units were without adequate plumbing for the exclusive use of the occupants. Old units was by far the most prevalent of the 3 measures of inadequate housing. Nearly 21 percent of all of the housing units in the state were built prior to 1940.

Two of the measures of housing quality -- incomplete plumbing and pre-1940 housing -- were concentrated in rural, generally Upper Peninsula, counties in 1990. Keweenaw and Houghton Counties are among the top 5 in both categories. The 5 counties with the largest shares of pre-1940 units had as much as 2.5 times the statewide rate for older units. The proportion of units with incomplete plumbing was between 5 and 6.5 times the rate statewide in the 5 counties with the highest incidence of units with incomplete plumbing. Both the list of the 5 counties with the highest rate of older units and the list of the 5 counties with the highest rate of units with incomplete plumbing included only Upper Peninsula counties.

Counties with the Highest Rates of Units with Housing Quality Deficiencies, 1980

<u>Incomplete Plumbing</u>	<u>Pre-1940</u>
Keweenaw	8.3% Keweenaw 73.3%
Baraga	7.5% Houghton 70.0%
Ontonagon	7.2% Gogebic 64.4%
Alger	6.6% Dickinson 58.8%
Houghton	6.3% Iron 57.6%

The 5 counties with the lowest rates of units built before 1940 include 2 metropolitan counties and 3 nonmetropolitan counties. In Macomb County, which had the lowest proportion of older units of any county, there was a 19 percentage point difference between the county and the state rate of such units. Macomb, along with Oakland, was also included among the 7 counties with the lowest rate of units with incomplete plumbing. Only 1 of the 7 counties with the lowest rates of units without complete plumbing is a nonmetropolitan county. The 5 counties with the lowest rates of overcrowded units include 3 Upper Peninsula counties and 2 metropolitan counties.

B. HOMELESS

The information in this section on homelessness in the State of Michigan is excerpted from the State of Michigan's 1999 Statewide Continuum of Care. In 1998, a long-standing interagency collaborative group of state agencies, the Michigan Interagency Committee on Homelessness (MICH), expanded its membership to create a statewide Continuum of Care planning body, the Michigan Homeless Assistance Advisory Board (MHAAB). The Michigan Homeless Assistance Advisory Board conducted the 1999 gaps analysis and prioritized projects for funding under the 1999 U.S. Department of Housing & Urban Development's competitive homeless assistance funding.

Both MICH and MHAAB are chaired by the State Homeless Coordinator, who works for the Michigan State Housing Development Authority (MSHDA), Michigan's statewide housing agency. The Statewide Continuum of Care documents the problem of homelessness in Michigan and describes the system of locally driven, state funded services available in Michigan communities that are dedicated to alleviating homelessness. The 1999 Statewide Continuum of Care is included in its entirety as Appendix 5 to this plan.

Emergency Shelter and Services

The 1999 Gaps Analysis documents a statewide point-in-time emergency shelter bed count of 2,400 beds for persons in families, and 3,254 beds for individuals. MSHDA has a contract with the Michigan Coalition Against Homelessness to update this count for 1999. In the Statewide Gaps Analysis, need for additional emergency shelter beds is rated a medium relative priority for families, and a low relative priority for individuals.

Sixty-one percent of the available emergency shelter beds are in metropolitan areas. Approximately 1,971 emergency shelter beds are located in Detroit and in Wayne County. Kent County has 334 emergency shelter beds. Lansing/Ingham County has 317 emergency shelter beds. Oakland County has 267 emergency shelter beds. Kalamazoo (186), Genesee (191) and Washtenaw (204) counties each have about 200 emergency shelter beds. Many rural communities do not have emergency shelter facilities and rely on hotel/motel vouchers. Shelters for victims of domestic violence are the most common types of shelter found in rural areas reflecting the network of state funding for domestic violence shelters and services.

Many of Michigan's larger communities provide warming centers during the coldest winter months and establish overflow night shelters. Wayne, Kent and Washtenaw counties open additional facilities during the winter months. Many communities establish overflow plans to accommodate increased demand for shelter during the winter months when people can no longer live in campgrounds, unheated homes, or in vehicles.

MSHDA administers the State of Michigan's Emergency Shelter Grants (ESG) program. Michigan's FY 1999 award is \$2.7 million. MSHDA funds operations, essential services, and homeless prevention with ESG dollars. In the past few years, MSHDA has not funded the creation of new shelter beds unless the local Continuum of Care plan has identified a need for additional shelter beds, or the area was previously not served by an emergency shelter. The focus has been on providing transitional housing programs, prevention, or other services to help

homeless people transition out of homelessness. As a result of Continuum of Care planning and gaps analysis, two communities in Michigan's Upper Peninsula (Iron Mountain & Ironwood) have identified the need for developing new emergency shelter facilities in the past two years. One shelter just opened and the second is still in the planning stages.

Other support for emergency shelters include MSHDA's Critical Need Program which funds emergency repairs at homeless shelters, and Michigan's electric companies offering discounts on utility bills for many emergency shelters during the winter months of January, February and March of each year. MSHDA's Critical Need Program funds one-time emergency rehabilitation and repair for shelters for such as new furnaces, roof repair and other structural needs.

The Michigan Family Independence Agency, the state agency that administers Temporary Assistance to Needy Families, food stamps, child protective services, foster care, adult protective services and other social service programs, administers several programs that provide emergency assistance to prevent and alleviate homelessness in Michigan communities. One such program, State Emergency Relief (SER), provides approximately \$14 million in assistance each year. SER provides shelter related services to individuals and families to prevent homelessness and to assist in securing permanent housing. This includes funding for security deposits, rent arrears, utility assistance and deposits, and moving expenses. In order to receive relocation assistance, persons must be homeless, about to become homeless due to a pending eviction, or need to relocate to adequate housing so that children can be returned from foster care or prevented from going into foster care. FIA will provide SER, provided that the housing to be assisted is "affordable", that is the total housing costs (rent or mortgage, taxes and insurance) must be no more than 75% of a family's or individual's total net income.

In addition, FIA has a \$9 million contract with the Salvation Army to fund a safety net of shelter beds across the State by reimbursing local shelters \$10 per night for shelter beds and meals. This funding provides approximately 10,500 emergency and transitional shelter beds per night include a number of hotel/motel vouchers in rural areas. This funding ensures that a shelter bed is available for every person in Michigan who requests one. In many communities, the Salvation Army will provide motel vouchers for a brief period if no shelter beds are available or existing shelters are full. Many of Michigan's rural areas have no shelter beds and rely on aid given out by local churches and hotel vouchers funded through the Salvation Army, Community Action Agencies, or local FIA offices.

In fiscal year 1999, FIA also is providing its local offices with \$8.37 million in Emergency Services (ES) funding to meet local emergency needs. This allocation has been increased over 1998 funding by \$1.4 million to cover homeless related assistance with an emphasis on homeless prevention and transitional services. The Emergency Services Homeless Transition program funds security deposits & first months' rent, heat and utilities, and the case management necessary to relocate and support a client in a new home. These funds are distributed by formula to county FIA offices. Emergency Service funds are used to meet local emergency needs not covered by the State Emergency Relief program. Local FIA offices often contract with local nonprofit organizations and emergency shelters with Emergency Service funds.

The first priority for use of Emergency Services funds is to assure that clients have safe and

decent housing with a specific concern for persons in danger of losing their residences, and those living in emergency shelters. FIA has encouraged its local offices to use Emergency Services funding to cover needs that localities have identified and have not been able to fund through HUD or MSHDA in their local Continuum of Care plans.

Based on the recommendations and oversight of the Emergency Food and Shelter State Set-aside Committee, which includes many MICH/MHAAB members, the United Way of Michigan annually distributes by formula (based on numbers of people in the county in poverty, unemployed, receiving FIA payments, receiving free or reduced lunches and terminated General Assistance cases) approximately \$196,000 of Federal Emergency Food and Shelter set-aside funds to 20 rural counties to fund emergency needs. This is in addition to the average \$3.3 million distributed by the Emergency Food and Shelter National Board Program directly to Michigan's urban areas.

Transitional Housing and Services

Transitional housing is temporary housing (up to 24 months) designed with a structured supportive services program to help a family or individual achieve the highest level of self-sufficiency possible. Michigan has a network of transitional housing providers that meets quarterly to share ideas, be trained and work on joint projects. Nearly 40 organizations are active in the network. The Michigan Coalition Against Homelessness acts as the fiduciary for the Michigan Transitional Housing Network and helps coordinate meetings. As a result of working with the Transitional Housing Network, MSHDA submitted and was awarded a 1991 SAFAH grant to provide follow up services to homeless families leaving transitional housing in five communities. Each of the five original SAFAH projects have been renewed by applying for renewal funding to HUD through their local Continuum of Care planning bodies, and are still operational.

There are a number of HUD-funded transitional housing programs in the state including Pontiac Area Transitional Housing (PATH) in Pontiac, SOS Community Crisis Center in Ypsilanti, Branch County Coalition in Coldwater, Center for Women in Transition in Holland, Housing Resources in Kalamazoo, Shelter of Flint in Genesee County, Dwelling Place in Grand Rapids, COTS in Detroit and several newer programs in other areas. The Statewide Gap Analysis documents that Michigan has approximately 2,005 transitional housing beds for individuals, and 4,335 transitional housing beds for persons in families.

When rural areas start to conduct a Continuum of Care inventory and gaps analysis, transitional housing is often one of the top priorities because it is an ideal way to help overcome the many deficits and problems that cause an individual or family to become homeless. Transitional housing programs provide services with enough intensity and for a sufficient length of time to help homeless people deal with the root problems that led to their homelessness. As a relative priority for new programs, the Statewide Continuum of Care rates the gap for transitional housing for families high, and the need for transitional housing for individuals as low.

MSHDA has provided competitive funding to establish and operate transitional housing through its own funds to help build a statewide inventory of successful transitional housing programs. MSHDA started funding transitional housing out of its own resources in 1993. This funding was

a response to the statewide shift in emphasis that occurred in 1992/1993 with the realization of the importance of transitional housing and services versus simply a focus on emergency shelter. Through the years, MSHDA has provided assistance to over 85 transitional and permanent supportive housing for persons with disabilities projects. Since 1990, MSHDA has also offered matching funds for projects applying to HUD's Supportive Housing program for development activities. This funding provides leverage for local programs and helps meet HUD's match requirements for development activities. MSHDA has assisted local programs with HUD match funds from Marquette in the rural Upper Peninsula to Detroit, Michigan's urban core.

Homeless Development Grants are available to facilities who serve homeless persons through rehabilitation, acquisition, and/or new construction projects. This program is most often used to develop transitional housing programs. A dollar-for-dollar match is required and the maximum request is \$50,000. The local Continuum of Care planning body must document support for the funding request.

Permanent Housing and Services

The Supportive Housing Demonstration, a collaborative effort between the Corporation for Supportive Housing, MSHDA, and MDCH, has generated excitement in the state around increasing the supply of permanent supportive housing units and encouraging systems change to remove barriers so that nonprofit organizations can develop units at a faster rate.

According to the 1990 census and annual housing updates, there are approximately 462,000 households in Michigan with extremely low income (defined as less than 25% of area median income, adjusted by county). Seventy-five percent of these households pay more than 50% of family income for housing, and more than 41,000 live in housing with severe structural defects. While these people are housed, they are at risk of homelessness. There is a shortage of affordable housing in the State of Michigan. The demand for subsidized housing is great with all Section 8 programs in the state having waiting lists. Nonprofit organizations around the state are establishing housing resource centers or housing placement programs to work with private landlords to move homeless people into permanent housing more quickly. Such programs often offer assistance with first months' rent and security deposits, helping the household set up housekeeping, and then providing case management and follow up services to mediate if any problems arise with the landlord. One of the objects of these programs is to reduce the recidivism rate among formerly homeless people.

The State of Michigan does not have a state-funded rental assistance program. Many urban areas have public housing agencies (PHA) which have an inventory of public housing, and often administer the Federal Section 8 rental assistance program. MSHDA is the statewide PHA and administers a Section 8 program. MSHDA administers almost 14,000 Section 8 certificates and vouchers, and has an existing portfolio of approximately 52,000 affordable rental units in MSHDA assisted complexes for families, the elderly and people with handicaps. The average income of families assisted by MSHDA's Section 8 program is \$8,077.

In 1998, MSHDA awarded over \$18 million in HOME and CDBG grants to local governments and nonprofit organizations to help produce affordable housing and revitalize neighborhoods.

In 1998, the Office of Community Development at MSHDA awarded approximately \$8.9 million in Federal HOME funds to nonprofit organizations and units of general local government to create 322 HOME-assisted housing units. At the end of 1998, the State has an additional 398 HOME-assisted rental units, completed in prior years, that are still in the affordability period.

MSHDA also has home purchase programs to increase the homeownership opportunities for people with low and moderate incomes by reducing the costs of purchasing a home. Working with more than 115 lenders, MSHDA offers several financing options for homebuyers. The Single Family Program provides below market interest rates and low down payment requirements. In conjunction with this program, MSHDA uses Federal HOME funds to provide down payment assistance to people with very low incomes. The average family income of persons assisted with HOME down payment assistance is \$18,600.

Other state support for permanent housing includes programs administered by the Michigan Department of Community Health (MDCH). MDCH received a 1992 Shelter Plus Care grant for nine programs with the capacity to support 309 units; 1998 renewal funding continues the program until 2004. This program provides rental assistance for persons with mental illness, substance abuse problems, or living with HIV/AIDS. A match consisting of equivalent support services dollars is required. Of the 309 units, 48 are located in five rural counties, 164 units are in the metro Detroit area, and 97 are in Oakland County and the Flint/Saginaw area. MDCH has aggressively administered the Shelter Plus Care grant serving more than the originally proposed number of people to be assisted by reallocating and redistributing unspent monies utilizing all of the resources available. The City of Ann Arbor and Saginaw, Oakland, Kalamazoo and Kent Counties are areas that have all received Shelter Plus Care funding directly from HUD.

MDCH also administers the PATH (Projects for Assistance in Transition from Homelessness) program, a Federal block grant program that provides funds for outreach and housing placement for persons with mental illness who are homeless or at imminent risk of homelessness. Services include outreach, case management, and housing placement. The PATH program currently funds 19 projects serving 23 counties across the state serving about 1,500 persons annually.

As a companion to the PATH program, MDCH administers the Housing Assistance Fund which provides grants to assist persons with mental illness who are homeless or at risk of being homeless in areas not covered by a PATH program. Housing Assistance grants may be used for first month rent and security deposits, utility deposits, or for household goods and for past due rental payments to prevent homelessness. During fiscal year 1999, 97 persons with mental illness were assisted with this fund.

Finally, Michigan Department of Community Health also administers the Federal Housing Opportunities for Persons with Aids (HOPWA) funds for the State of Michigan (except for the Detroit area, which receives funds directly). In FY 97-98, approximately 547 persons received housing assistance through the HOPWA program.

MDCH and MSHDA have partnered to work with Michigan lenders to develop a homebuyer program for persons with disabilities. Called Home Choice, this program loosens underwriting

standards to enable persons with disabilities who are receiving entitlements to purchase homes. MDCH also monitors the leases of hundreds of group homes, which provide housing for persons with disabilities some of whom come from homeless situations. MDCH employs several licensed housing quality inspectors.

Michigan's inventory of permanent supportive housing is inadequate. The Supportive Housing Demonstration, described earlier, is part of a strategy to encourage the development of new units by local communities. In the 1999 Statewide Gaps Analysis, the need for permanent supportive housing for individuals has a high relative priority, and a low relative priority for families.

Homeless Prevention

Financial assistance is available in most Michigan communities to prevent homelessness by paying rent arrears and utilities until the funding runs out. Often funds will be available for only a portion of the year because the demand for such assistance is so great. All areas of the state are covered by a Community Action Agency that provides prevention funding either through a FIA Emergency Services Contract funding, FEMA funds and/or Emergency Shelter Grants (ESG) funds. The Salvation Army and local churches also fund homeless prevention assistance. Annually, MSHDA uses approximately thirty percent of its ESG award to fund prevention.

FIA Emergency Service dollars are used to prevent an individual or family from going into an emergency shelter, assisting an individual or family relocate from a shelter as soon as possible, or providing needed supportive services to help an individual or family remain in their own home. ES homeless prevention funds housing arrears, and heat and utilities payments to maintain a client in their current residence.

FIA State Emergency Relief funds can also be used to pay for energy services or home ownership services. Low-income households can receive help paying heat and electric costs if their service has been or is about to be shut off. The bill must be for service at the current address (not a past due bill from a previous address). If a family or individual had income during the previous six months, they must have used some of the income to pay on the heat or electric bills.

FIA also administers the Federal Low Income Home Energy Assistance Program which provides assistance to prevent heat and electric shutoffs through the State Emergency Relief program. The Michigan Public Service Commission works with utility companies to protect low-income people and senior citizens from utility shutoff and provides assistance paying utility bills from November 15 through March 31. In 1998, utility companies provided \$4.1 million in utility assistance to low-income people to prevent utility shut-offs, and help low-income people pay their energy bills. \$3.5 million of the total came from the efforts of Consumers Energy. The Salvation Army also administers a program that pays utility bills.

SUB-POPULATIONS

In rural areas there are not large numbers of people who are visibly homeless, as in urban

areas with people sleeping in parks or panhandling in downtown areas. Homeless persons in rural areas often sleep in cars, campgrounds, barns, abandoned houses or trailers, shelters and motels. Both urban and rural areas have a shortage of affordable, standard housing. Most rural areas lack public transportation and the high cost of acquiring and maintaining a private vehicle is prohibitive. Many women and children in both urban and rural areas become homeless when they flee abusive relationships and violent households.

At its January and February 1999 funding workshops, MSHDA conducted a survey of providers to determine if homeless assistance providers were finding any changes or increase in the numbers of homeless people seeking assistance. In response to the question, *Has the numbers of homeless people requesting services in the past year - increased, decreased, or stayed the same?*, 72 (80%) of the 90 agencies surveyed responded that they have witnessed an increase in the number of homeless people requesting services during the past year. Seventeen percent, or 19, show the number of homeless people requesting services stayed the same in the past year. Less than one percent stated that the number of homeless people decreased. These 90 providers saw demand for shelter increase by an average of 17% in 1998.

Sixty-nine percent of the providers reported that the average length of stay has increased during the past year. Twenty-nine percent found that the average length of stay had stayed the same, and less than two percent said that the average length of stay had decreased. When asked about the changing characteristics of the homeless people served during the past year, providers reported serving more of the working poor, an increasing number of families with young children who have more severe problems, more runaway and homeless youth, and an increase in the prevalence of substance abuse.

Homeless Persons With Mental Illness

The Michigan Department of Community Health funds a network of local community mental health programs (CMHSP's). The Michigan Department of Community Health has implemented a specialty services managed care carve out for mental health (including services for adults with mental illness, children with serious emotional disturbances and persons with developmental disabilities) and substance abuse services.

Demographic information from FY97 CMHSP's identified 1.5 percent of the MI consumer population as homeless or in a homeless shelter. This represents about 1,100 persons known to the CMHSP service delivery system as enrolled consumers and over 1,000 additional contacts with persons who may be homeless.

Each local community mental health program uses a Person Centered Planning approach, whereby the needs and wishes of the individual consumer guide a written Individual Plan of Service. Core services provided include: psychiatric services, vocational services, skills training and support in independent living, counseling, alcohol and drug abuse treatment, psycho social rehabilitation, supported education, and other specialized supports as identified by the recipient and delivered in the local community.

Many local communities report problems providing services to persons with mental illness who

refuse to receive treatment from traditional community mental health programs, or who have “mild” mental illness which impairs their ability to live independently but does not qualify them for services from the local mental health providers.

Homeless Persons With Substance Abuse Addictions

Estimates vary on the prevalence of substance abuse among Michigan’s homeless population, but by any count it is the single largest problem with which homeless people struggle. Many homeless providers estimate that 80 to 90 percent of homeless persons either have a substance abuse problem themselves or have had family support harmed by substance abuse.

The Michigan Substance Abuse Services Network is administered by the Michigan Department of Community Health, Bureau of Substance Abuse Services. The Network consists of 15 regional substance abuse coordinating agencies; over 900 local substance abuse treatment and prevention programs; over 4,000 substance abuse workers; and thousands of volunteers.

The 15 substance abuse coordinating agencies are called Central Diagnostic and Referral Service (CDRS) centers. The goals of CDR Services are to improve access to the substance abuse system, to provide objective assessments, and to arrange for patient placement in appropriate services. CDR Services conduct phone and face-to-face assessments of clients needing substance abuse services. Individuals in need of residential services or intensive outpatient services that receive state substance abuse funding must be assessed by a CDRS agency before entering these programs. Homeless individuals typically are found to need residential care or intensive outpatient care coupled with a transitional housing program or other domiciliary support.

The Michigan Department of Community Health, Bureau of Substance Abuse Services contracts with regional coordinating agencies for planning and administration of substance abuse services within single and multi-county areas. These agencies identify local need and priority for treatment and prevention services and subcontract for the provision of these services.

In addition to contracting with coordinating agencies, the Bureau of Substance Abuse Services plans and coordinates services at the state level; evaluates services; administers funds statewide; collects information; sponsors training; and disseminates educational material.

Homeless providers often find it difficult to help homeless people obtain substance abuse treatment. Programs often have waiting lists and treatment is not available on demand. There is a shortage of residential treatment programs. Single individuals often have the longest wait for state-funded substance abuse treatment services because Federal funding mandates require priority admissions for pregnant drug injecting users, pregnant non-injecting drug users (including alcohol abusers), and injecting drug users. The State of Michigan adds an additional priority population of “a parent whose child has been removed from the home under the child protection laws of Michigan or is in danger of being removed from the parent’s home because of the parent’s substance abuse.”

Self-help support groups such as Alcoholics Anonymous, Narcotics Anonymous, and Adult

Children of Alcoholics and Alanon have proven to be extremely effective for supporting persons in recovery from substance abuse. Michigan runs a Self-Help Clearinghouse to help people locate available programs. Many local homeless providers provide space for local groups to have meetings on-site and/or provide transportation to self-help meetings.

Homeless Veterans

National studies show that over one-third of homeless individuals have military experience in the U.S. Armed Forces. Michigan has several Federal veterans' hospitals located in the municipalities of Detroit, Battle Creek, and Iron Mountain. In each of these communities, homeless veterans make up a significant portion of the number of homeless people. In addition, the communities of Sault Ste. Marie, Marquette, Menominee, Hancock, Muskegon, Yale, Grand Rapids, Gaylord, and Saginaw have U.S. Department of Veteran Affairs' outpatient clinics and outreach programs. Plans are also in progress to establish outpatient clinics in Pontiac, Benton Harbor, Lansing, Traverse City, Flint, Oscoda, Jackson and Ironwood as the VA reorganizes how it delivers health care services to veterans. The goal is that by the end of the year 2000, 93% of all Michigan veterans will be located within 30 miles of a VA outpatient health care clinic.

Federal Veterans Domiciliary Care Program provides housing and services for homeless veterans in Grand Rapids, Battle Creek, Marquette and Detroit.

Since 1946, each county in Michigan has an office that provides Emergency Needs for Veterans funded through the Michigan Veterans Trust Fund. While there is a yearly cap on the amount of financial assistance, the Trust Fund provides temporary assistance to Michigan veterans including food, shelter, clothing, utilities and medical assistance. Each year the Michigan Department of Military Affairs publishes a directory of services available through the Michigan Veterans Trust Fund and an updated list of the contact information for each county. Applications for assistance in each county are coordinated by a volunteer group entitled the Veterans Trust Fund Committee. Some counties have programs that are staffed with Veteran Counselors to coordinate requests.

In Detroit, a Veterans Center has been created by the Michigan Veterans Foundation to provide emergency shelter, transitional housing, and supportive services to homeless veterans. The Michigan Department of Career Development also provides displaced veterans with job training and placement through the state Service Members Occupational Conversion and Training Act.

Children

Michigan has seventeen programs funded by the Federal Education of Homeless Children and Youth program authorized by Title VII-- of the Stewart B. McKinney Homeless Assistance Act. A staff person at the Michigan Department of Education is responsible for providing leadership to local and intermediate school districts to ensure that homeless children can attend the same school they did before becoming homeless, or if they have to transfer schools that records follow. Schools cannot refuse to enroll homeless children because of a lack of a permanent address. This staff person from the Michigan Department of Education sits on MICH and MHAAB.

The seventeen programs are funded by the Michigan Department of Education with Federal money to eliminate barriers that impede enrollment and educational success of school-age homeless children and youth. The Federal funding usually funds a staff person who works with family shelters to coordinate early child education centers in shelters, coordinate tutoring programs, make sure children are enrolled in school, and to work to eliminate barriers such as transportation, appropriate clothing and necessary school supplies. The grantees of this program meet quarterly for training and coordination of efforts. A representative from the one of the programs is on the Board of the Michigan Coalition Against Homelessness. Representatives from local programs are also very active locally serving on many Continuum of Care planning groups. The Coalition's annual conferences for the past five years have always had a track of workshops to specifically provide training to these programs, and to educate others about the service needs of homeless children.

Programs are funded in Berrien County, Branch County, Detroit, East Lansing, Genesee County, Grand Rapids, Holland, Macomb County, Marquette-Alger Counties, Mt. Clemens, Muskegon, Pottsville, Rapid River, Saginaw County, St. Clair County, Washtenaw County, and Wayne-Westland.

Homeless and Runaway Youth

Michigan has a network of programs that serve homeless and runaway youth that are funded through both Federal and state funding. Thirty-three programs provide services across the state including counseling to develop independent living skills, case management, emergency shelter, 24 hour crisis intervention, and aftercare/follow up. The objective of these programs is to ensure that youth have an alternative to the street and the juvenile justice system through quality, voluntary, community-based services.

All programs offer 24 hour crisis intervention and referral to appropriate services. The primary goal is to reunite youth with parents whenever possible. Parental permission is required whenever youth are sheltered for more than 24 hours. More and more programs are engaging youth and families in counseling before placement in an emergency shelter or residential program is required. If a parent cannot be located or does not care, work is done with the courts to emancipate the youth.

Funding for Michigan's network of runaway and homeless youth programs in part comes from FIA's Youth In Transition program, which provides \$1.3 million, to fund 28 community-based agencies that provide services in each of Michigan's 83 counties. Eight programs are specifically funded to serve homeless (vs. runaway) youth. The Federal Department of Health and Human Services funds 18 Basic Center grants, five transitional living programs, and two street outreach programs. FIA provides some matching funds to these agencies. HUD funds three transitional housing programs for homeless youth through the Supportive Housing program in Saginaw, Flint, and Detroit. MSHDA also funds eight of the homeless and runaway programs through its Emergency Shelter Grants program.

The homeless and runaway youth programs in Michigan have for more than twenty years been coordinating among themselves through a voluntary association now entitled the Michigan Network for Youth and Families. Local programs are active members of local Continuum of

Care planning groups. The staff person from the Michigan Family Independence Agency responsible for coordinating State support for these programs is an active member of MICH and MHAAB.

There are an increasing number of teenagers that are not in foster care or part of the state system of child protective services but that do not have a safe place to live and grow up. Many communities are struggling with how to develop programs that serve this population. The legal issues of serving under age consumers are difficult.

Victims of Domestic Violence and Sexual Abuse

The Michigan Family Independence Agency funds a network of shelters and programs that provides domestic violence and sexual abuse services in each of Michigan's 83 counties. The Domestic Violence Prevention and Treatment Board, administratively housed in and staffed by the Family Independence Agency, funds shelter, food, counseling, and advocacy for abused women and children through a statewide network of nonprofit, community-based shelters. The Domestic Violence Prevention and Treatment Board also works with the Rape Prevention and Services Program to improve community responses to domestic and sexual violence by advocating for practices that enhance victim safety and that hold batterers/perpetrators accountable for their criminal behavior.

The Domestic Violence Prevention and Treatment Board was created by the Michigan legislature in 1978. Its seven members are appointed by the Governor with the advice and consent of the Senate. In addition to funding domestic violence service provider agencies, the Board has a statutory responsibility to advise the Governor and the legislature, and to work with other systems to improve the State's response to this crime.

In the last several years, Michigan has made significant progress toward keeping victims of domestic violence and their children safe, while holding perpetrators accountable for criminal behavior. The Board has placed a heavy emphasis on developing and furthering collaborative relationships with our partners in the criminal justice, health care, religious and child welfare systems.

The Board administers \$4.6 million in state and federal funds to support forty-five local domestic violence agencies in providing emergency shelter, crisis counseling, transportation, information and referral services, and advocacy to adult victims of domestic violence and their children in Michigan. These agencies also work with their local justice, health, and religious organizations to increase community awareness and strengthen their communities' responses to domestic violence. According to the 1997 annual report from the Michigan Coalition Against Domestic and Sexual Violence, in 1996 Michigan domestic violence providers offered transitional housing services to more than 7,500 adults and almost 9,000 children.

The Board also administers the \$4.26 million STOP Violence Against Women federal grant to support local projects to strengthen the State's response to domestic violence, sexual assault and stalking, through victim services, law enforcement, prosecution and the courts; as well as state level training initiatives.

In the past several years, there has been special emphasis on strengthening Michigan laws to protect victims and prosecute perpetrators. The Board has also had a training initiative which trains FIA staff and others on domestic violence issues. The training initiative has resulted in the following accomplishments:

1. Collaboration with the Family Violence Prevention Fund in San Francisco to develop training curricula for family preservation and children's protective services workers. A Michigan-specific version of the curriculum was used to train all family preservation workers in the state, including all Children's Protective Services supervisors and workers.
2. Worked in partnership with the Michigan Commission on Law Enforcement Standards (MCOLES) to expand the domestic violence training in police academies through the development of a mandatory 14-hour training curriculum. In addition, the curriculum has been updated, an in-service training was developed, and the pool of trained instructors has been expanded.
3. Participated with the Michigan Judicial Institute (MJl) in planning and conducting training for judges, probation officers and friend of the court workers on domestic violence. In addition, the partnership included the development of a bench book, and training for judges and other court personnel.
4. Collaborated with the Michigan Coalition Against Domestic and Sexual Violence to develop and implement regional training for advocates working in domestic violence service provider agencies.

Persons with HIV/AIDS

Housing and supportive services are funded through HIV/AIDS Regional Care Consortia, which also administer other Federal and state funding for persons with HIV/AIDS. The State of Michigan receives Housing Opportunities for Persons with AIDS (HOPWA) formula grant funding. From 1995-97 MSHDA was the grantee of record with HUD for HOPWA funds and contracted with the Michigan Department of Community Health to administer HOPWA in collaboration with Michigan's Ryan White formula funds. Starting in 1998, the Michigan Department of Community Health became the grantee of record receiving funding directly from HUD.

The Michigan Department of Community Health, HIV/AIDS Prevention and Intervention Section administers approximately \$7.7 million in state and Federal funding to fund care and services for persons with HIV/AIDS. This funding includes Ryan White Care Act, Title II funds; state funding through the Michigan Health Initiative funds; and HOPWA. This funding is administered through eight Regional Care Consortia that are responsible for conducting a needs assessment, prioritizing needs for funding and developing a comprehensive plan for their area for HIV/AIDS services. The Detroit area and its surrounding six counties receives both Ryan White and HOPWA funds directly from the Federal government. On the state level, a State HIV/AIDS Care Council meets several times a year to address policy issues and to recommend an allocation model for the HIV/AIDS funding to the Michigan Department of Community Health.

The fiduciaries for these funds are usually either local departments of public health, or community based nonprofit organizations. HOPWA dollars are used to prevent homelessness among persons with HIV/AIDS by providing short-term rental or mortgage assistance, utility payments, or housing counseling; or to keep persons with HIV/AIDS out of hospitals by providing homecare or other services. The HIV/AIDS section staff person from MDCH sits on MICH and MHAAB. If such programs are present in a community, most local Continuum of Care planning bodies include representation from programs that serve persons with HIV/AIDS.

MOVEMENT OF HOMELESS PERSONS FROM ONE COMPONENT TO ANOTHER

Ensuring that homeless families and individuals receive appropriate shelter and services in a timely manner, and that the services provided actually help solve problems is one of the challenges local Continuum of Care systems must address. Local communities handle coordination of services differently, although most rely on case managers to assure the coordination of services. In developing its own Continuum of Care plan, each community has had to analyze the utilization and effectiveness of its shelter system. Filling out the gaps analysis and completing the inventory of programs currently in place for each component is a good analytical tool for examining the movement of homeless people into and through the local system of homeless services. Ten Michigan communities will submitted a Continuum of Care plan directly to HUD for 1999 funding. An additional 32 Continuum of Care plans have been developed and submitted Continuum of Care plans to MSHDA to apply for state-controlled homeless assistance funding. These 42 Continuum of Care plans cover 65 (78.3%) of Michigan counties. Each of the local strategies has addressed how it monitors and evaluates the movement of homeless persons from one component to another.

When evaluating the Continuum of Care plans for funding under the Statewide Emergency Shelter Grants competition, the review committee identifies weaknesses in local strategies and follows up with recommendations for mentoring and/or technical assistance to the local Continuum of Care planning body. This ensures that strategies are strengthened and able to move homeless persons along the local continuum of services.

Case managers are the staff people responsible for working with an individual or family to gain access to and coordinate the services, treatment, and/or supports the individual/family wants or needs. The case manager is responsible for understanding the available services and programs in a given community and making referrals to appropriate programs. Some communities are implementing a data management system to collect shelter usage and length of stay data for program planning and evaluation. Some communities are starting to use a computerized system while others are using a paper system based on monthly reports. Many communities have monthly case management coordination meetings where specific client concerns are addressed, common problems identified, and bed availability advertised. Most homeless programs that have length of stays more than a few days, do some sort of individualized planning with homeless clients to determine needs and appropriate referrals to available programs.

The Michigan Department of Community Health requires the use of person-centered planning for in all local programs that it funds. The Michigan Mental Health Code establishes the right for

all individuals to have a Individual Plan of Service developed through a person-centered planning process regardless of age, disability, or residential setting. Person-centered planning is a best practice that is used in mental health settings throughout the State, and describes the ideal in respecting people's self-determination in developing action plans. Person-centered planning is a highly individualized process designed to respond to the expressed needs/desires of the consumer. It assumes the following values and principles:

Each individual has strengths, and the ability to express preferences and to make choices.

- b. The individuals choices and preferences shall always be considered if not always granted.
- c. Staff play a role in the planning and delivery of services, if the individual has expressed or demonstrated a need that could be met by staff intervention.
- d. Treatment and services identified through the process shall be provided in a manner that promote maximum independence, community connections and quality of life.
- e. A person's cultural background shall be recognized and valued in the decision-making process.

Each Michigan community contains a different mix of available homeless shelter and services, and differences in the types and numbers of subpopulations of homeless people. Because of the wide coverage of the State by local Continuum of Care plans, the State has some assurance that local systems facilitate the movement of homeless persons from one component to another, and that the components are linked.

The State of Michigan's priority homeless needs are specified in the following Gaps Analysis Chart, which is substituted, with HUD approval, for the Consolidated Plan Table 1A.

1999 STATEWIDE CONTINUUM OF CARE: GAPS ANALYSIS

INDIVIDUALS				
	Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Beds/Unit:				
Emergency Shelter	6,615	3,254	3,361	L
Transitional Housing	10,097	2,005	8,092	M
Perm. Supportive Housing	15,298	8,102	7,196	H
Total	32,010	13,361	18,649	
Estimated Supportive Services Slots:				
Job Training	15,799	5,593	10,206	L
Case Management	24,273	14,015	10,258	H
Substance Abuse Treatment	17,321	4,298	13,023	H
Mental Health Care	8,125	4,169	3,956	M
Housing Placement	15,245	3,263	11,982	H
Life Skills Training	16,950	2,427	14,523	H
OTHER:				
Legal Services	3,086	128	2,958	L
Transportation	4,457	613	3,844	H
Personal Needs	92	50	42	L
Estimated Sub-Population:				
Chronic Substance Abusers	13,566	4,140	9,426	H
Seriously Mentally Ill	4,254	2,518	1,736	M
Dually-Diagnosed	3,417	869	2,548	H
Veterans	3,464	1,308	2,156	M
Persons with HIV/AIDS	1,380	377	1,003	L
Domestic Violence	3,750	946	2,804	M
Youth	1,622	643	979	H

1999 STATEWIDE CONTINUUM OF CARE: GAPS ANALYSIS

PERSONS IN FAMILIES WITH CHILDREN				
	Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Beds/Unit:				
Emergency Shelter	10,850	2,400	8,450	M
Transitional Housing	14,284	4,335	9,949	H
Perm. Supportive Housing	16,378	4,799	11,579	L
Total	41,512	11,534	29,978	
Estimated Supportive Services Slots:				
Job Training	15,796	11,367	4,429	L
Case Management	19,400	10,347	9,053	H
Child Care	17,220	7,556	9,664	L
Substance Abuse Treatment	16,503	1,929	14,574	H
Mental Health Care	8,009	1,849	6,160	M
Housing Placement	18,461	3,607	14,854	H
Life Skills Training	20,150	3,196	16,954	H
OTHER:				
Legal Services	201	171	30	L
Transportation	2,618	360	2,258	H
Personal Needs	370	166	204	L
Estimated Sub-Population:				
Chronic Substance Abusers	8,709	1,381	7,328	H
Seriously Mentally Ill	2,845	969	1,876	M
Dually-Diagnosed	1,724	352	1,372	L
Veterans	813	276	537	L
Persons with HIV/AIDS	960	958	2	L
Victims of Domestic Violence	7,982	1,834	6,148	M

C. SPECIAL NEEDS POPULATIONS

Elderly and Frail Elderly

- Growth rates among the elderly cohort are exceeding those for the general population.
- The “very old” or “frail elderly”, those 75 years of age or older, are the fastest growing segment of the elderly population.
- Lower birth rates during the Depression and World War II are slowing growth among the 65 to 74 year olds.
- Upper Peninsula counties tend to have higher than average concentrations of elderly households.
- Six counties, including Wayne County, are estimated to have fewer elderly-headed households than in 1990.

The elderly are a significant and growing proportion of the State’s population. In 1990, just over 1.1 million persons, representing 11.9 percent of the population, were 65 years of age or older. The 453,500 persons who were 75 years of age or older accounted for five percent of the total population and two-fifths of those 65 years of age or older. There were nearly 109,000 persons 85 years of age or older, who accounted for just over one percent of the total population.

While the greatest number of elderly (four-fifths of the total) were living in the metropolitan counties, the proportion of elderly among the general population was higher in the non-metropolitan counties. One in nine persons in the metropolitan counties was 65 years of age or older, compared to one in seven in the non-metropolitan counties. Persons 75 years of age or older accounted for 4.6 percent of the metropolitan counties’ population and 6.1 percent of the population of the non-metropolitan counties. By age 85 and older, the disparity between metropolitan and non-metropolitan counties is nearly non-existent.

A quarter of the population of three of the State’s counties were seniors in 1990. Keweenaw County had the highest proportion of elderly at just under 30 percent. Slightly more than 27 percent of the population of Iron County was 65 years of age or older in 1990, while that age cohort accounted for a quarter of Roscommon County’s population. The fact that these counties with high proportions of the elderly residents are all non-metropolitan counties provides further indication of the higher than average proportion of elderly found in the rural counties. In contrast, five counties in the State had fewer than one in nine elderly residents. Three of the five counties -- Washtenaw, Isabella and Ingham -- were home to major universities and had significant college age populations. Lapeer and Livingston counties, both fast growing suburban communities, had smaller than average proportions of persons 65 years of age or older.

There were 719,000 households, accounting for fully 21 percent of all of the State’s households, with a head 65 years of age or older in 1990. The nearly 297,000 households with a head 75 years of age or older represented just under nine percent of the total number of households.

Some 62,000 households were headed by person 85 years of age or older. These households represented almost two percent of the total.

There is considerable similarity in the distribution of elderly-headed households and the elderly population. Four-fifths of these elderly-headed households were located in metropolitan counties, while the proportions of elderly-headed households are higher in the non-metropolitan counties than in the metropolitan counties. More than a quarter of the households in the non-metropolitan counties were headed by persons 65 years of age or older, compared to a fifth of the metropolitan county households. One metropolitan county household in 12 had a head 75 years of age or older, while for non-metropolitan counties the ratio was one in nine. Just over two percent (2.2 percent) of the households in the non-metropolitan counties had a head 85 years of age or older, compared to 1.7 percent of the metropolitan county households.

In two counties -- Iron and Keweenaw -- two-fifths of the households were headed by a persons 65 years of age or older. More than a quarter of the households in Keweenaw were headed by a person 75 years of age or older, while 19 percent of the Iron County households has a head who had reached the age of 75. Six counties, all non-metropolitan counties, had more than three percent of their households headed by a person 85 years of age or older. These six were Dickinson, Gogebic, Iron, Lake, Montmorency and Schoolcraft counties.

As was the case with population, counties with a university presence had lower than typical proportions of elderly-headed households, as did Livingston and Lapeer counties. No county, however, had less than one percent of its households headed by a person 85 years of age or older.

It is estimated that statewide by 1998, the number of households headed by a person 65 years of age or older had increased to 783,500 households, an increase of nearly 64,500 elderly households, some nine percent. The State's metropolitan counties accounted for three-quarters of the absolute increase. This addition of nearly 50,000 elderly households in eight years represented an 8.7 percent increase. In the non-metropolitan counties, the number of elderly-headed households increased by nearly 15,000, a rate of increase of 9.9 percent, the identical rate of increase that is estimated to have occurred for all households.

ESTIMATED CHANGE IN 65+ HOUSEHOLD NUMBERS 1990 to 1998

	1990 Households	1998 Households	Change	Percent Change
State	719,000	783,481	64,481	9.0%
Metropolitan Counties	568,452	618,048	49,596	8.7%
Non-metropolitan Counties	150,548	165,433	14,885	9.9%

Source: Claritas, Inc.

The number of elderly-headed households in six counties -- Gogebic, Houghton, Iosco, Marquette, Ontonagon and Wayne -- is estimated to have declined. Livingston and Lapeer counties, which both had low proportions of elderly-headed households in 1990 have had the largest relative increases according to Claritas' estimates. Livingston County is estimated to

have gained nearly 2,300 households headed by a person 65 years of age or older, an increase of 40 percent, while Lapeer County is estimated to have gained 1,350 such households for a 33 percent increase. Livingston and Lapeer counties are two of the five counties with more than a 25 percent estimated rate of increase in elderly-headed households. The increase in elderly-headed households in Otsego County is estimated to be 33 percent, some 500 households in absolute numbers. Keweenaw County is estimated to have had a 28 percent increase (98 households), while Benzie County has an estimated increase of 25 percent (330 households). Another 12 counties, three metropolitan and nine non-metropolitan had increases between 20 and 25 percent. The metropolitan counties are Clinton, Midland and Oakland counties.

It is estimated that the number of households headed by a person 75 years of age or older, the "frail elderly", increased statewide by 63,100 households, more than one-fifth, since the time of the 1990 Census. This increase in households headed by a person 75 years of age or older represents 97 percent of the estimated increase in the number of households headed by a person 65 years of age or older. The decreased number of Depression Era and World War II babies has slowed the growth of households with heads between 65 and 74 years of age, while greater longevity is significantly increasing the number of "frail elderly" households. As is the case with all elderly households, the metropolitan counties account for the majority of the increase, some 77 percent.

ESTIMATED CHANGE IN 75+ HOUSEHOLD NUMBERS 1990 to 1998

	1990 Households	1998 Households	Change	Percent Change
State	296,948	360,036	63,088	21.2%
Metropolitan Counties	231,392	280,222	48,830	21.1%
Non-metropolitan Counties	65,556	79,814	14,258	21.7%

Source: Claritas, Inc.

The estimates indicate that the number of "frail elderly" households declined in two counties -- Marquette and Iosco. Lapeer County at 53 percent and Otsego County at 50 percent have the largest estimated relative increases, while Gogebic at four percent and Ontonagon at five percent have the smallest.

The number of households headed by persons 85 years of age or older, the "extremely frail" is estimated to have increased by 26,000 households from 62,000 households in 1990 to 88,000 in 1998. This represents a relative increase of more than two-fifths. Again, over three-quarters of the estimated increase occurred in the State's metropolitan counties.

**ESTIMATED CHANGE IN 85+ HOUSEHOLD NUMBERS
1990 to 1998**

	1990 Households	1998 Households	Change	Percent Change
State	61,989	87,919	25,930	41.8%
Metropolitan Counties	42,923	68,726	25,803	60.1%
Non-metropolitan Counties	13,066	19,193	6,127	46.9%

Source: Claritas, Inc.

While the elderly typically have lower incomes, mainly because they are no longer active labor force participants, the increased use of IRAs and the indexing of Social Security benefits to inflation has done much to decrease the incidence of poverty among the elderly. Median incomes for the elderly have been increasing steadily in recent years. The younger of the elderly households, the 65 to 74 year olds, typically have the highest incomes. Longevity, however, adversely affects income, with household incomes declining among the 75 year olds and older. Claritas estimates put the median income for households headed by a person 65 to 74 years of age at about \$25,500 in 1998, compared to a median of approximately \$17,000 for households with heads 75 or older.

As with all households, lower income elderly householders are more likely to encounter difficulties finding adequate housing, than is the case for upper income households. While elderly households may have assets, not taken into account in the data on income, the potential to have amassed significant capital seems less likely among lower income households. Using a conservative estimate of \$10,000 income or less as a proxy for low income elderly, Claritas estimates indicate that in 1998, some 152,000 elderly householders statewide could be classified as low income. This represents a fifth of the total number of households headed by a person 65 years of age or older, down from 1990 when a quarter of the elderly households had incomes less than \$10,000. A comparison by age cohort of the proportion of elderly-headed households with incomes under \$10,000 is indicative of the inverse relationship between age and income. Just seven percent of the households with a head 65 to 74 years of age have incomes less than \$10,000. Of the households with heads 75 to 84 years of age, some eleven percent have incomes less than \$10,000. It is among households with heads 85 years of age or older that the prevalence of low income households jumps. Twenty-seven percent of these "extremely frail elderly" households have incomes of less than \$10,000.

**ELDERLY-HEADED HOUSEHOLDS WITH INCOMES UNDER \$10,000
1998**

	Number of Households	Percent of Total
State	152,118	19.4%
Metropolitan Counties	112,658	18.2%
Non-metropolitan Counties	39,460	23.9%

Source: Claritas, Inc.

As might be expected, the non-metropolitan counties, where incomes are generally lower, have higher proportions of elderly-headed households with incomes of \$10,000 or less. Close to 24 percent of the elderly-headed in non-metropolitan counties fell in this income range compared to 18 percent of the elderly-headed households in the metropolitan counties. In many Upper Peninsula counties, three in ten elderly-headed households had incomes under \$10,000. Keweenaw County had the highest proportion of these low income elderly households, two households in five. Among the Lower Peninsula counties, only Lake County approached the type of ratio found in the Upper Peninsula.

Another way to identify and quantify elderly with low incomes is to look at the elderly who receive SSI payments. According to State records, 24,000 persons 65 years of age or older received SSI in 1996. The majority of these very-low income elderly lived in the metropolitan counties, some 83 percent. These SSI recipients represented 2.2 percent of the State's 1990 elderly population. In metropolitan counties, elderly SSI recipients accounted for 2.3 percent of the 1990 elderly population, while in non-metropolitan counties the proportion was 1.7 percent.

In two counties, Luce and Lake, SSI recipients in 1996 accounted for more than four percent of the 1990 elderly population. In Wayne and Baraga counties, the proportion was over three percent.

ELDERLY RECEIVING SSI 1996

	1996 Recipients	Percent of Total 1990 65+ Population
State	24,101	2.2
Metropolitan Counties	20,069	2.3
Non-metropolitan Counties	4,032	1.7

Source: Claritas, Inc.

Persons with Disabilities

a.) Physical Disabilities

- Eighteen percent of persons 16 years of age or older in 1990 had a self-reported disability.
- Half of those with a self-reported disability characterized themselves as having a severe disability, which required the use of an aid such as a wheelchair.
- The likelihood of having a disability increases with age.
- Nearly 200,000 persons under the age of 65 received disability-related SSI in 1996.

In 1990, for the first time, the decennial Census included questions related to disability status. Based on the responses to these questions, as well as a subsequently-developed model-based methodology devised to provide estimates of the prevalence of specific disabilities by various levels of geography, it is estimated that 18.2 percent of Michigan's non-institutionalized population aged 16 or older had a disability in 1990. Slightly more than half of these persons had a severe disability defined as using a wheelchair or other aid for more than six months,

unable to perform one or more functional activities or needing assistance with an ADL or IADL, prevented from working at a job or doing housework, or having a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation.

The likelihood of an individual having a disability increases with age. According to the Census Bureau, in 1991-1992 just 29 percent of persons 45 to 64 years old had a disability. Fifteen percent had a severe disability. By age 85 or older, 84 percent of individuals had a disability, while 68 percent had a severe disability.

A limitation of these data is that they provide no information on the incomes of those identified as having a disability. While disability, inability to work and low incomes are generally linked, it would be an overstatement to assume that all persons with disabilities are lower income. Data from the State on transfer payments appear to provide a more defensible estimate of the number of persons with disabilities who also have low incomes.

A special tabulation provides data on the number of persons in the State receiving SSI, Medicare or State Disability Assistance (SDA) in 1996. Some 240,700 persons under 65 years of age received some form of transfer payment. Nearly four in five was receiving SSI for the disabled.

Residents of metropolitan counties accounted for 83 percent of the total receiving payments. The proportion of the State's total 1996 population receiving disability transfer payments is 2.5 percent. This proportion varies only slightly between metropolitan and non-metropolitan counties.

PERSONS RECEIVING DISABILITY TRANSFER PAYMENTS 1996

	SSI-D	MA-D	SDA	TOTAL	Percent of 1996 Population
State	188,603	44,307	7,832	240,733	2.5%
Metropolitan Counties	158,321	35,169	6,615	200,105	2.5%
Non-metropolitan Counties	30,282	9,138	1,208	40,628	2.4%

Source: specially tabulated State report.

Thirty-four counties have a higher than average proportion of disability transfer payments. Lake County has the highest proportion with nearly six percent of its 1996 population receiving disability payments. Luce, Wayne, Muskegon and Clare counties have four percent of their populations receiving payments.

A survey of four of the Centers for Independent Living (CIL) in the State indicates that close to 6,000 persons with disabilities sought help in the past year. One in nine needed assistance with a housing problem. Most of those accessing the CILs lived with their families, usually in a rental situation. CIL staff reports that affordable suitable housing -- that is, barrier-free and near where the consumers wish to live -- is the major housing problem.

b.) Mental Disabilities

Persons with Mentally Illness

- Some 176,000 persons with mental illness in Michigan accessed the mental health system through CMHSPs in 1998.
- Persons with mental illness do not generally live in specialized residential settings, adult foster care homes.
- Most lived in a private setting, many with relatives.

MDCH enlisted the assistance of the Citizens Research Council to predict the prevalence of persons with serious mental illness for each county using a synthetic estimation methodology, with the NIMH epidemiological catchment study outcomes, an estimate of 139,200 was derived. However, addressing the full range of mental health problems results in an epidemiological estimate of up to 10 percent of the population. With respect to children with emotional disturbance, the literature estimates from 3 to 20 percent of the general population could benefit from mental health services.

The Michigan Department of Community Health reports that CMHSPs provided services to some 176,500 consumers with mental illness or children with serious emotional disturbances in FY1998. Females accounted for slightly more than half the total. Among those for whom age information is recorded, a quarter were children 18 years of age or younger. Two-thirds were 19 to 64 years old and just under nine percent were elderly. Four percent had some association within the correction system, either incarcerated or under court supervision.

Data on living arrangements were available for 85 percent of these consumers. Of these, most, 82 percent were living in a private setting, over three-quarters with relatives. About one in six were living in dependent care arrangements. Two percent, 2,900 persons, were reported as homeless. The living arrangement of a fairly high proportion, 15 percent of the total, was not reported.

Persons with Developmental Disabilities

- In FY97, some 27,000 persons with developmental disabilities accessed the mental health system through CMHSPs.

According to the Michigan Developmental Disabilities Council, estimates which were derived from federal studies as well as an analysis of prevalence rates indicate there are between 150,000 and 176,000 non-institutionalized persons with developmental disabilities, (i.e., persons with mental retardation, cerebral palsy, autism or epilepsy). Between 100,000 and 125,000 are adults and it is estimated 10-12 percent are 65 years of age or older.

Males were the predominant gender among the nearly 28,000 DD CMHSP consumers in 1997, 55 percent compared to 44 percent females. Children accounted for one DD consumer in six. Adults under 65 years of age were 78 percent of the total, while just over six percent were 65 years of age or older. Less than two percent of the DD population was associated with the corrections system. Compared to the MI consumers, a much higher proportion of DD

consumers were institutionalized, two out of five. Slightly less than three in five had a private living arrangement. Most lived with relatives. Just 0.3 percent, 65 persons total, were reported as homeless or in a shelter. The living arrangement of one person in nine was not provided.

Some persons with disabilities who currently reside in specialized, or “dependent” residential settings are capable of living more independently if suitable housing and supportive services were to be available. Currently, HCFA is administering a grant to assist identifying likely candidates for a transition from nursing home care to more independent living.

Persons with Substance Abuse Problems

- It is estimated that one in nine persons statewide may have a substance abuse problem.
- Alcohol is the primary substance being abused, followed by cocaine/crack.
- Males are more likely than females to have problems with substance abuse.

State estimates of the prevalence of substance abuse indicates that as many as one in nine (1.1 million) persons statewide may have a problem with legal or illicit substances. In 1998, the State recorded some 87,000 admissions to substance abuse treatment programs. For those admitted, alcohol is the drug of choice, accounting for over half (53 percent) the total. Cocaine use, including crack cocaine was second with 18 percent, followed closely by marijuana/hashish users at 16 percent of the total admissions. Nine percent of those admitted for treatment reported heroin as their primary reason for their need for treatment. Other drugs, such as opiates, prescription drugs, hallucinogens and amphetamines each accounted for two percent or less of the total admissions.

The demographic profile of those admitted to treatment programs indicates that males were more likely than females to have substance abuse problems, by a factor of 2.5. Whites, non-Hispanics accounted for two-thirds of those with substance abuse, while one in three were Black, non-Hispanics. Four in 100 persons admitted to substance abuse treatment were of Hispanic origin. Over half (53 percent) of those admitted were single. One in five lived with a spouse or partner. Two in five admissions were employed. The ratio of unemployed was the same. One admission in six was not an active labor force participant.

Persons With HIV/AIDS

- July, 1999 MDCH statistics indicate that 10,243 cases of AIDS have been reported since data collection began in 1981.
- 12 counties account for 56% of the State's population but 86% of all HIV/AIDS cases.
- HIV related mortality is dropping.

The 1998 Epidemiological Profile of HIV/AIDS in Michigan, prepared by the Michigan Department of Community Health, estimates that there are 8,777 people living with HIV/AIDS in the state. There are 7,190 documented cases of HIV/AIDS. This prevalence (total living cases, old and new combined) has been stable, however the 36% drop in HIV related mortality in 1996 requires that these estimates be re-evaluated. If HIV incidence (new cases) does not decrease then prevalence will increase since more infected persons are living longer.

Currently, persons with AIDS have lived in all but 3 counties in the state compared to 5 years ago when 8 of the 83 counties had no reported cases of AIDS. The 3 counties with no reported cases of AIDS are all nonmetropolitan counties.

The 12 counties of Wayne (including Detroit), Oakland, Kent, Ingham, Genesee, Washtenaw, Kalamazoo, Berrien, Calhoun, Jackson, Allegan and Van Buren all have rates of HIV/AIDS above half of the highest county rate. These 12 counties are referred to as high prevalence counties. These high prevalence counties account for 56% of Michigan's population, but 86% of all HIV/AIDS cases. The 71 low prevalence counties account for 44% of the population, but just 14% of cases.

Of the total number of persons with reported cases of AIDS, 85 percent are males. 54% are non-Hispanic blacks, while some 42 percent are non-Hispanic whites. Persons of Hispanic origin accounted for only 3 percent of the reported cases. Some 43 percent of all of the persons with reported cases of AIDS were between the ages of 30 and 39 when the report was made. 18% were between the ages of 20 and 29 and another 24 percent were between 40 and 49 years of age. Only 2 percent were under the age of 20.

MDCH is currently aware of 8,777 living persons who have HIV or AIDS and estimate that 12,500 persons statewide may be HIV positive. Persons who are HIV positive do not, simply by virtue of having the HIV virus, require special housing. Information about the potential number of persons with HIV is an indication of the number of persons who may at some future point contract AIDS, which may in turn, result in need for some form of housing assistance.

D. LEAD BASED PAINT

Inventory and Market Conditions Lead Based Paint Hazards. At the present time, data are not available by which to measure the environmental risk to low income households that is posed by exposure to lead based paint. The partial data that are available, however, indicate that this could be a serious problem, particularly for very low income renter households. At this time it is possible only to use secondary data as indicative of the scope of the problem.

One approach to estimating the scope of the problem is to consider all housing built prior to 1978, when lead based paints were banned, as potentially hazardous locations. Based on the Census estimates of the number of housing units that were constructed prior to 1980, there are almost 3 million units in Michigan in this potentially hazardous category. Of these, roughly 2.5 million are located in the metropolitan counties.

Just over three-quarters of the total number of pre-1980 units are affordable to low income households, according to the CHAS Data Book, Table[*] 9. About 55 percent of these 2.33 million units are affordable to very low income households. The potential hazard is greatest in the nonmetropolitan counties, where over 83 percent of the half million pre-1980 units are affordable to low income households.

In both the metropolitan and nonmetropolitan counties of the state, low income renters would appear to face the highest risk factors. Over 94 percent of the potentially hazardous rental units are affordable to very low or other low income households. In total, renters account for one-third of all low income households potentially at risk from lead based paint exposure. The renter proportion of those potentially at risk is 36 percent in the metropolitan counties, but only 24 percent in the nonmetropolitan counties.

Lead-Based Paint Hazard Reduction Needs. According to the Michigan Department of Community Health (MDCH), environmental exposure to lead in amounts sufficient to cause illness and neurological damage in children is a significant problem in Michigan. In 1998, 10% of children under the age of six who were screened for blood lead and the results reported to the state laboratory, were confirmed at or above 10ug/dL, compared with the 4.4% national average identified by NHANES III, Phase II.

In Detroit, the rate is an alarming 19% citywide. High rates are not limited to Detroit, however; Grand Rapids has one Zip Code (49506) with a rate of 39% (297 of 753) and several others above 25%. Smaller cities such as Flint, Saginaw, Muskegon, Benton Harbor and Kalamazoo have overall high rates as well, and nonmetropolitan areas show rates that are consistently above the national average. Berrien, Gogebic, Kalamazoo, Keweenaw, Muskegon, and Ontonagon counties showed rates of 10% of screened children.

Any housing built prior to 1978 is considered to be at risk of containing some amount of lead-based paint, and the amount of lead pigment in the paint tends to increase with the age of the housing. Consequently, children of very low- and low-income households, who tend to reside in older housing, are disproportionately at risk of lead poisoning.

Large numbers of housing units were built in Michigan after World War II within and around Michigan's industrial cities. As these units have aged, they tend to be occupied by higher

numbers of low-income families. Michigan has 2.97 million housing units built before 1980; of these, 2.34 million, or 79 percent, are occupied by low- and very low- income families. As this housing gets older, it is even more likely to be occupied by these families; over 85 percent of housing built before 1960 is occupied by low- and very-low income households. Consequently, children in these households are a disproportionate risk of lead poisoning. As shown in the table below, approximately 1.8 million low- and very low-income households are estimated to be living in units containing lead.

Year Built	Number of Very Low- and Low-Income Housing Units	Percentage of Housing Units with Lead-Based Paint ²	Estimated Number of Very Low- and Low-Income Units with LB Paint
1960-1979	858,484	62%	532,260
1940-1959	873,926	80%	699,141
Pre-1940	603,916	90%	543,524
Total			1,774,925

Not all of these units are hazardous to residents, but all of them pose potential hazards to children if lead-based paint is allowed to become exposed or to peel. Protection of these children requires continued assurance that housing meets relevant housing quality standards. The Michigan Department of Community Health (MDCH) has been administering a lead poisoning prevention program for over 20 years. The Childhood Lead Poisoning Prevention (CLPPP) project is a statewide surveillance and primary prevention project that includes screening and follow-up of identified lead poisoned children and extensive public and professional education. According to CLPPP statistics, it is estimated that approximately 38,600 children under the age of six have elevated blood levels in Michigan.

Resources to Address Lead-Based Paint Hazards

a. Interagency coordination. The Michigan Department of Community Health (MDCH) administers the Lead Hazard Remediation Program (LHRP) and the Childhood Lead Poisoning Prevention Program (CLPPP). These programs work in close collaboration with other state departments to meet the goal of protecting and preserving human health, primarily in young children less than six years of age, from the dangers of lead-based paint exposure. These state departments include the Michigan State Housing Development Authority (MSHDA), the Department of Consumer and Industry Services, the Family Independence Agency, and the Department of Environmental Quality. MDCH has also developed working relationships with 44 local health departments within Michigan. Collaboration has resulted in coordinated efforts

²The percentages in the table are derived from Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Structures. This source was recommended by HUD.

between MSHDA and MDCH to assure safe housing for children living in Section 8 housing administered by MSHDA. Using data supplied by MSHDA, CLPPP identifies EBL children living in Section 8 housing. Upon notification from CLPPP, MSHDA works with the landlord to ensure that lead hazards are identified and remediated if needed.

While MCDH has been administering a lead poisoning prevention program for more than 20 years, until 1994 the effort has been predominantly focused on lead screening performed in the Early and Periodic Screening, Diagnosis and Treatment Medicaid screening clinics. In 1994, MDCH partnered with the Medicaid program to enable local health department nursing and environmental health staff to complete home visits to assess the physical status of lead poisoned children and identify and make recommendations for addressing lead hazards to which the child was being exposed.

Protocols for home inspection, health assessment and follow-up activities were developed to assist in the management of Medicaid-enrolled children who are lead poisoned. These services are now provided by most county health departments, with two environmental health and two home nursing visits funded by Medicaid.

In 1998, only 16 percent of the homes of children who were identified as being lead-burdened (blood lead levels ≥ 10 ug/dL) had their homes remediated. 84 percent of the children continue to live in the same homes with unaddressed lead hazards. Because of this, in 1999 CLPPP began developing collaborations with housing authorities and landlords to develop strategies to assist in making children's housing lead-safe if not lead-free. CLPPP plans to collaborate with the MDCH Lead Hazard Remediation Program and Community Development Block Grant administrators to implement the new HUD guidelines regarding lead based paint hazard identification and remediation.

b. Community Resources. CLPPP has developed a relationship with the Rental Property owners Association of Michigan. A work group has been established to educate landlords and tenants about the dangers of lead and clean up options, ranging from housekeeping techniques to full scale abatement. CLPPP and LHRP staff are collaborating with financial institutions to develop low interest loans for remediating homes, as state bond money became available for lead abatement activities. The programs are exploring the feasibility of a low interest loan program targeting low and moderate income home owners and landlords.

c. HUD Lead Abatement Grant. The Michigan Department of Community Health (MDCH) received a \$4.9 million grant from HUD for efforts related to the prevention of lead poisoning. MDCH is collaborating with MSHDA, local health departments and community based organizations to identify, screen and inspect high risk housing and to remediate identified lead hazards. Legislation to establish a certification program for lead professionals has been enacted. This funding is allowing the state to establish a pool of qualified professionals to perform lead abatement activities, address abatement needs in high risk areas, and establish infrastructure of ongoing identification and abatement of lead hazards.

It should be noted that Wayne County has directly received a HUD Lead Abatement Grant. The HUD program, sometimes in conjunction with the county, or with outside monies, provides the necessary funds to abate homes.

MDCH has applied to HUD for a \$4 million grant for the year 2000, which will be matched with \$5 million funded through the Clean Michigan Initiative (CMI) bond proposal. It is estimated that 680 units will be abated using these funds to leverage local and state Community Development Block Grant funds and other private funds.

d. Changes in Michigan Law. On July 1, 1998, Governor John Engler signed into law the Lead Abatement Act which was in response to the U.S. Environmental Protection Agency (EPA) directive to establish enabling legislation to address lead-based paint hazards. The enabling legislation requires the accreditation and certification of lead-based paint hazard control professionals. It addresses the regulation of persons engaged in lead-based paint inspection, risk assessment, and lead abatement; in addition to the regulation of persons providing training programs; establishes a lead poisoning education program; establishes work protective standards; and prescribes penalties.

E. HOUSING NEEDS

1. Current Estimates/Five Year Projections

a. Extremely Low Income, Very Low Income, Low Income, Moderate Income. The definitions used correspond to households with incomes at or below 30 percent of the state median income (extremely low income), households with incomes between 31 and 50 percent of the state median income (very low income), households with incomes between 51 and 80 percent of the state median income (low income), and households with incomes between 81 and 95 percent of the state median income (moderate income).

Among the State's 3.7 million households (estimated in 1999), approximately 1,077,000 or 29 percent fall into one of the defined low or moderate income categories. An estimated 426,650 households (11.5 percent) are considered extremely low income, 242,900 households (6.5 percent) are considered very low income, 192,900 households (5.2 percent) are considered low income and 214,570 households (5.8 percent) are considered moderate income.

For incidence of housing problems, among extremely low income households in Michigan, it is estimated over 80 percent (341,320 households) suffer from one or more housing problems (cost burden of 30 or 50 percent, overcrowding or living in substandard conditions), with the majority of households experiencing a problem with cost burden. An estimated 335,000 households are cost burdened at the 30 percent level, and an estimated 251,000 households are cost burdened at the 50 percent level, or are paying in excess of 50 percent of household income for housing costs. The remaining 6,000 households in the extremely low income category suffer from overcrowding or live in substandard housing. Please note many people who are cost burdened may also live in overcrowded or substandard housing.

Among very low income households, those earning between 31 and 50 percent of state median income, an estimated 141,000 experience some housing problems, again with the majority (approximately 137,500) experiencing cost burden problems at the 30 percent level and 30,300 cost-burdened at the 50 percent level. For low income households in Michigan, those earning between 51 and 80 percent of state median income, an estimated 48,000 experience a 30 percent cost burden and 5,700 experience a 50 percent cost burden, while an estimated 53,200 experience any housing problem (or a combination of housing problems). Among moderate income households, the percentages of households experiencing any housing problems falls dramatically, with an estimated 11 percent experiencing any cost burden (23,600 households) and only 1 percent experiencing a severe cost burden (2,100). An estimated 30,000 moderate income households experience some combination of any of the three housing problems.

Michigan is made up of 25 metropolitan counties and 58 non-metropolitan counties. The 25 metropolitan counties account for over 3 million households, or nearly 82 percent of the estimated 1999 population of households, with approximately 650,000 (18 percent) households in non-metropolitan counties. A study was commissioned by the Michigan State Housing Development Authority to estimate statewide demographic changes and the author concluded:

"In Michigan's 25 metropolitan counties, the majority (58 percent) of the households in need are renters. The largest proportion of those in need (22 percent of the total) are

small families. The next largest group, one-sixth of all metropolitan households with housing needs, are non-family renter households. In the rural areas of Michigan, housing need is about evenly divided between homeowners and renters. Housing need is particularly prevalent among elderly homeowners in these non-metropolitan counties, although non-elderly homeowners also constitute a higher proportion of rural housing need than in the urban areas. Among non-metropolitan renter households, by far the highest proportion (22 percent of the total) of the need is represented by small families. Non-family renter households represent only eleven percent of the rural housing need.”

b. Tenure/Family Type. Data do not currently exist to adequately estimate a gross number or percentage of Michigan households in need. Since the incidence of housing problems decreases as income increases, ranging from an estimated 80 percent of extremely low income households experiencing some combination of housing problems to approximately 14 percent of moderate income households experiencing some combination of housing problems, we can only assume that the incidence of housing problems among the upper income classes (96 percent of median income and above) is relatively lower than the 14 percent of households in the moderate income category. Enhanced data should become available after the 2000 census is released to strengthen this analysis.

c. Cost Burden. Throughout Michigan, cost burden is by far the predominant problem among households with housing needs. There are an estimated 862,455 low, very low, and extremely low income households in Michigan (1999 estimate), and 535,520 are estimated to have any housing problem (overcrowding, substandard conditions or cost burden), representing approximately 62 percent of the low income households in Michigan. Of those 535,520 with housing problems, 520,500 (97 percent of households with housing problems, and 60 percent of all lower income households in the state) are estimated to have a housing cost burden at the 30 percent level, and 287,000 (54 percent of households with housing problems, and 33 percent of all lower income households in the state) are estimated to have a housing cost burden at the 50 percent level. Data are not currently available to estimate the incidence of housing cost burden across geographic and tenure boundaries.

d. Overcrowding. Overcrowding is defined as having more than one person per room. This type of housing problem appears to be relatively insensitive to differences in income levels; that is, there is little difference in the proportion of households suffering from overcrowding, regardless of income level. Despite the fact that owners, on average, have larger households, overcrowding is more likely to occur among renter households. Estimates for 1999 suggest almost 20 percent of lower income renters (69,800 households) live in overcrowded conditions, and just over 10 percent of lower income owners (38,000 households) live in overcrowded conditions. Data is not available to estimate the incidence of overcrowding by metropolitan and non-metropolitan counties of residence.

e. Substandard Housing. Estimates prepared for substandard housing in Michigan in 1999 suggest that 8,400 lower income renter households reside in substandard housing, or 2.4 percent of the lower income renter households, and 7,800 lower income owners reside in substandard housing, or 2.1 percent of the lower income owner households. Again, the ratio of substandard housing in metropolitan and non-metropolitan areas is unknown.

f. Worst Case Housing Need. It is difficult to estimate the worst case housing need for the state. This estimate would include: households paying in excess of 50 percent of their income for housing, households that are homeless or who are involuntarily displaced by private or public action, and households living in housing with severe physical problems.

As noted above, there are an estimated 289,000 households paying in excess of 50 percent of their income for housing, not counting those in middle and upper income categories (households earning above 96 percent of median income - likely not a large number). According to the American Housing Survey, approximately 5 percent of lower income households live in housing with severe physical defects. Applying this figure to lower income population in Michigan, an estimated 36,250 households may be living in housing with severe physical defects. Involuntary displacement by public or private agencies annually affects approximately 3 percent of the lower income population, again according to the American Housing Survey. In Michigan, this would represent 21,750 households.

It is likely that the majority of households that experience homelessness during the course of the year may have been identified in one of the above categories. There is likely duplication among households that qualify under more than one definition of worst case housing need; there is no valid way to eliminate this duplication. Assuming no double counting, however, the estimated number of worst case housing need households in Michigan is approximately 347,000. The data do not allow an estimate of the ratio of households residing in metropolitan areas and non-metropolitan areas. Previous estimates of worst case housing need, however, suggest a 84/16 split between metropolitan counties and non-metropolitan counties. If this ratio is used, an estimate of 55,520 households experiencing worst case housing need reside in non-metropolitan counties, and the remaining 291,480 households reside in metropolitan counties.

Another perspective on the extent of worst case housing need can be gained by examining the waiting lists for the Section 8 assistance program. There are currently approximately 12,000 households on these lists; however, it should be noted that the state and many metropolitan counties close their lists when the estimated waiting period is in excess of two years. The real demand for Section 8 housing assistance is likely much higher.

g. Racial/Ethnic Groups. In general, minority headed households are more likely to experience housing problems than the general population. As a group, about 56 percent of all minority headed households have housing problems. Black, non-Hispanic renter households have the highest incidence of housing problems among minority headed households. Hispanic headed households also suffer disproportionately from housing problems.

Minority headed renter households in both metropolitan and non-metropolitan counties in Michigan have a significantly higher incidence of housing problems than do non-minority households in these areas. This is particularly acute in metropolitan areas where the incidence of problems among minority headed households is about 12 percent above the average for all households. In the non-metropolitan counties, the difference is less, but still larger than five percent. There does not appear to be significant differences among the racial/ethnic minority groups with respect to the incidence of need.

When the racial/ethnic groups are compared along income lines, relatively few important differences emerge. Minority headed renter households in both subareas (metropolitan and non-metropolitan counties) of the state are more likely to experience housing problems when they are in the extremely low (less than 30 percent of median) income category, but are somewhat less likely to have housing problems at higher income levels. One prominent exception to this is the very low income (31 to 50 percent of median income) Hispanic renter households. In both sub areas of the state, this population group is significantly more likely to experience housing problems than are blacks or other minority groups.

The incidence of housing problems among minority headed renter households does not differ greatly from that of the general population. Large black, non-Hispanic households have a higher incidence of housing problems in metropolitan counties as do small Hispanic households in the non-metropolitan areas.

Among owner households, minority headed households generally fare about as well as their non-minority counterparts in the State's metropolitan counties. In the non-metropolitan counties, however, minorities are significantly more likely to experience housing problems. This is particularly true for minority owner households at the very low income level. Both Black, non-Hispanic and Hispanic households in this income range experience an above average incidence of housing problems in non-metropolitan counties. In the other income ranges, the differences are not significant.

Several different categories of minority owners experience unusually high incidences of housing problems. All minority headed elderly owner households, in both subareas of the state, are significantly more likely to experience housing problems. Large minority households of all racial/ethnic types have a significantly higher incidence of housing problems in the non-metropolitan counties of the state. The highest rate of housing problems occurs among black, non-Hispanic households in these areas. Small households with Hispanic heads are also more likely to experience housing problems in the non-metropolitan counties than they are in other parts of the state or than in the case with other categories of minority households.

Michigan households attempting to buy their first home are among the most successful in the nation. Michigan's homeownership rate was 71 (70.99) percent in 1990. In 1999 the homeownership rate was also estimated at 71 percent (71.23), rising slowly. The 1999 metropolitan county homeownership rate is estimated at 69.99 percent, and the non-metropolitan county homeownership rate is estimated at 77.0 percent.

Married households of all ages were likely to be homeowners. Even for household heads under age 35, the rate of homeownership was virtually the same as that of the larger population. For households not headed by a married couple, however, especially for those under the age of 35, the rate of homeownership dropped significantly. Less than one-third of the young male headed households with no spouse present were homeowners, with the corresponding figure for female headed households was one-quarter.

h. Need for Supportive Housing. Based on the 1990 Census, there are 223,500 elderly in the state with housing problems. About 80 percent of the elderly households with housing

problems live in the metropolitan counties. The nonmetropolitan counties account for some 45,300 elderly households with housing problems.

All but 5 percent of these with housing problems have a problem with affordability. If the term "supportive housing" were to include financial support, then all of these elderly households in the state would be in need of supportive housing. If financial considerations are eliminated from the definition of supportive housing, the number of elderly households in need of supportive services drops dramatically.

Assuming that supportive housing provides the necessary services to allow persons to continue an independent lifestyle in their own homes, the number of elderly households in the state in need of supportive housing is estimated to be between 100,000 and 178,000 households. These are the households among the civilian, non-institutionalized population over the age of 64 that have difficulty with at least 1 ADL or IADL. It includes the estimate of the number of frail elderly households.

If elderly households in need of supportive services are distributed throughout the state in the same proportions as elderly with housing problems, some 80,000 to 142,000 elderly households in metropolitan areas could be expected to need supportive services. In the nonmetropolitan portions of the state, the estimated range is 20,000 to 36,000 households.

Not all of these households that are in need of supportive services are likely to need government intervention in order to maintain an independent lifestyle. In many cases, family, friends, and other relatives provide the necessary supportive services on a continuing basis.

The frail elderly, those that are unable to perform 3 or more ADL, are a subset of the total elderly population in need of supportive housing. It is estimated that about one-fifth of the elderly households in need of supportive services are frail elderly. This means that statewide there are likely some 21,000 to 33,000 frail elderly households in need of supportive services. Between 17,000 and 26,000 of these households are located in the metropolitan counties, while 4,000 to 7,000 are in the nonmetropolitan counties.

The needs of these households are much greater than the needs of the other elderly households. In many cases, the needs exceed what families and friends can provide, necessitating more active intervention from the outside. With supportive services, many of the frail elderly are able to continue to live in their own homes. Others will be required to move to a care setting in order to have their needs met.

It is estimated that some 600 to 900 units of supportive housing could be utilized for persons with mental illness statewide. There are also indications that some persons in this special needs group are already receiving supportive housing, but that this supportive housing is not necessarily in the most appropriate form or setting such as, for example, developmentally disabled clients living in nursing homes or adults with mental illness or developmental disabilities currently residing with aging parents or other family members. These persons would benefit from the provision of a more suitable form of supportive housing.

There is an estimated need for 1,400 to 2,000 units of supportive housing for those with an acquired disability in the state. Some of this need may be met by facilities that serve the handicapper community. The majority of the need, however, is likely to be met by providing in-home services or adaptive devices for persons in their current residences.

Persons with substance abuse problems are difficult to quantify in terms of their need for supportive housing. In 1998, some 87,000 persons sought admission to 300 state-funded programs to help them overcome substance abuse problems. Most of them participated in programs while remaining in their own place of residence. Only 79 of the programs are licensed to provide residential treatment, and there is no indication that the number of residential treatment facilities correlates to the need for this type of program. Inasmuch as the 87,000 persons seeking treatment in state-funded programs represents less than 8 percent of the estimated number of persons with alcohol or drug problems, a doubling of the number of available programs would not seem unreasonable. It is estimated that the addition of another 750 to 1,000 units of supportive housing for alcohol and other substance abusers would be appropriate.

Providing an estimate of the need for supportive housing for persons with aids and related diseases is also problematic. There are over 8,777 persons living with HIV/AIDS in the state. As with many of the other special needs groups, not everyone with HIV/AIDS is in need of supportive housing. Additionally, friends and families provide care in many instances. Despite these caveats, it is difficult to ignore the potential future need. Although AIDS incidence is declining, the total number of persons living with HIV/AIDS is at an all time high and may still be increasing. At this rate of increase, the need for supportive housing is likely to continue. In order to anticipate future need, it is estimated that the provision of some 500 to 900 units of housing with supportive services for AIDS patients should be considered.

Five Year Projections. In general, no significant changes are expected in the scope or distribution of housing need in the State of Michigan over the next 5 years. The complete closing of 2 U.S. Air force bases, one in Mackinac and one in Iosco County, will have serious localized impacts on the housing markets in these communities and will result in increased housing problems. The **Housing Priority Needs, Table 2**, located on page **III-54**, identifies the priorities and the estimated units and dollars to address over the next five years.

Barriers to Affordable Housing

Several critical regulatory barriers to affordable housing in Michigan are discussed in Section IV. B., "Relevant Public Policies."

Community and Economic Development Needs

This is the State of Michigan's plan which identifies the non-housing community and economic development needs in Michigan with emphasis on the State's small communities (nonentitlement jurisdictions). Attention is given to both community development and economic development needs, missions/goals, short-term and long-term objectives, strategies, policies, and programs. This plan is for a period of five years.

Nonentitlement Jurisdiction Profile. Michigan's 1998 population was estimated to be 9.8 million. The population of entitlement areas amounted to 5.9 million or 60.2 percent of the total State population. The population in nonentitlement areas was 3.9 million or 39.7 percent. With a total state land area of 56,818 miles, the nonentitlement portion of the state contains 53,352 square miles or some 94 percent of the total land area. Michigan contains 1,883 general purpose local governments (83 counties, 279 cities, 275 villages, and 1,246 townships). Of the 1,883 local governments, 1,655 (88 percent) are located in nonentitlement jurisdictions. Of the 1,655 nonentitlement jurisdictions, 474 are classified as having 51% of the households with low and moderate income levels. Of the total population in nonentitlement areas, approximately 39 percent or 1.6 million people are members of low and moderate income households.

Community Development Needs. In Michigan, as in many other states, there are high priorities and significant needs in both community development and economic development. Community development is primarily concerned with the physical, social, and organizational aspects of concentrations of people with in communities. The focus of this program is to strengthen and improve their quality of life. Physical needs are public infrastructure and facilities needs including: water and sewer facilities (sanitary and storm sewer lines, mains, and wastewater treatment, sewage treatment, and water filtration plants) streets, roads, and bridges, public facilities and buildings (police, fire, community centers, senior citizen centers, and other governmental services), utilities (gas and electric), dams, dikes and flood control facilities, parking facilities, sidewalks, lighting, malls, parks, playgrounds and other recreational facilities, and land acquisition for the facilities listed above.

For public infrastructure and facilities, there are two perspectives of needs. First, there are communities that lack particular public works or facilities. There are potential users, but no facilities presently exist in the area. There are other communities that have the needed public infrastructure, but the infrastructure is antiquated or deteriorated and badly in need of rehabilitation or replacement. All local communities have public works need that are not being addressed because of financial constraints and limited resources. Maintenance alone is a demanding and almost overwhelming job.

Only general estimates are available of the specific number of projects needed and the actual dollar magnitude of need. As current public infrastructure systems age and continue to deteriorate and growing communities continue to expand and develop, maintenance and replacement costs increase. Establishing equitable and appropriate public policies and program priorities becomes more important since the dollar magnitude of needs continues to increase compared to the stable or decreasing level of public funding resources available to meet those needs.

Economic Development Needs. Economic development continues to be a top priority in Michigan. Economic development has been defined as increases in real per capital income over an extended period of time resulting in a strengthened and improve quality of life. Economic development has also been defined as the maintenance and expansion of a community's economic base so it remains stable and diversified, operating at almost full capacity, has high value added, provides high quality jobs with very small levels of unemployment and underemployment, and has an increasing level of productivity as measured by increases in real gross product. Michigan's economic base is currently experiencing

significant increases. The Michigan economy is moving from an industrial/manufacturing economy to a service economy that is more interdependent with the national economy, more sensitive to national economic trends, shifts, and cycles, and more global in terms of imports, exports, and product markets.

More demands are being placed for a higher quality work force with sufficient expertise and training to contribute and compete in the developing high technology and service based economy. Higher quality job training is becoming more important.

In determining the appropriate and effective role of state government in economic development, attention is usually given to the state as catalyst, promoter, fosterer, and expeditor. As an agent encouraging economic development and growth of private sector business firms, the state also regulates and taxes businesses. In its role as economic development catalyst, there are three areas of emphasis including retaining and improving the economic base, promoting expansions, relocations, and new initiatives, and working with local governments, local economic development organizations and related entities in fostering local economic development initiatives.

The Michigan economy is composed of some 200,000 private business firms ranging in size from one to 250,000 employees with a total work force of 5.1 million people. Michigan is often characterized as one of the larger industrial states with an emphasis on durable manufacturing and the center of American automobile production. Twenty-five percent of the Michigan labor force is in manufacturing while 75 percent is employed in commercial, retail, service, and government. In 1995, earnings of persons employed in Michigan were \$164.6 billion and total personal income was \$228.5 billion. In July 1999, the State's unemployment rate was 3.8 percent, which was below the national rate 4.3 percent.

The State's economic development goals are: (1) retain, expand, and attract good jobs; (2) continuously improve Michigan's business climate; and (3) grow Michigan Businesses for the future. The goal to retain, expand, and attract good jobs includes:

- Michigan continuing to be a national leader in the attraction and expansion of business facilities;
- Maintain the nation's largest business retention program and expand business attraction success rates;
- Propose and implement creative solutions to increasing the number of skilled workers; and
- Promote tourism by placing the state as a tourism point of destination and maximize the use of the State's Great Lakes asset.

The goals to improve Michigan's business climate include:

- Reduce State personal income taxes to provide a more attractive environment in which to recruit and retain executives and workers;
- Advocate and monitor State initiatives to deregulate the electric utility industry to provide more competitive rates for Michigan businesses; and

- Advocate and manage innovative economic incentives for business locations and expansions such as the Michigan Economic Growth Authority and Renaissance Zones.

The goals to grow Michigan businesses for the future include:

- Accelerate the growth of technology-based jobs including initiating statewide technology parks;
- Implement and refine a worldwide marketing campaign; and
- Develop a comprehensive strategic plan that outlines the most important risks, opportunities, and recommended solutions for achieving long-term economic growth.

It is estimated that currently there are almost \$6 billion in community and economic development infrastructure needs in nonentitlement areas in Michigan. These estimates are shown in the following table and are based on an updated 1992 survey conducted by U.S. Department of Commerce, Economic Development Administration.

ESTIMATES OF INFRASTRUCTURE NEEDS
IN
MICHIGAN NONENTITLEMENT AREAS

<u>Category</u>	<u>\$</u> <u>(Billions)</u>	<u>Percentage</u>
Transportation and Related Facilities	\$2.7	47.3%
Water and Sewer Facilities	1.7	29.0
Buildings and Facilities	1.0	17.1
Other (Downtown Development, Recreation, Ports, Harbors)	<u>0.4</u>	<u>6.5</u>
Total	\$5.9	100.0%

TABLE 2

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low	Estimated Units	Estimated Dollars to Address
		0-30%	H	117,301	351.90M
	Small Related	31-50%	H	48,066	480.66M
		51-80%	M	21,076	63.23M
		0-30%	H	29,440	88.32M
	Large Related	31-50%	H	15,167	151.67M
		51-80%	M	8,145	24.44M
Renter		0-30%	H	48,545	145.64M
	Elderly	31-50%	H	33,082	115.78M
		51-80%	M	14,290	42.87M
		0-30%	H	75,230	225.69M
	All Other	31-50%	H	44,057	440.57M
		51-80%	M	25,484	76.45M
		0-30%	H	174,158	1,393.26M
Owner		31-50%	H	127,143	1,017.15M
		51-80%	M	101,141	606.46M

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	Estimated Priority Units	Estimated Dollars to Address
PUBLIC FACILITY NEEDS			
Neighborhood Facilities			
Parks and/or Recreation Facilities			
Health Facilities			
Parking Facilities			
Solid Waste Disposal Improvements			
Asbestos Removal			
Non-Residential Historic Preservation			
Other Public Facility Needs			
INFRASTRUCTURE			
Water/Sewer Improvements			
Street Improvements			
Sidewalks			
Sewer Improvements			
Flood Drain Improvements			
Other Infrastructure Needs			
PUBLIC SERVICE NEEDS			
Handicapped Services			
Transportation Services			
Substance Abuse Services			
Employment Training			
Health Services			
Other Public Service Needs			
ANTI-CRIME PROGRAMS			
Crime Awareness			

Other Anti-Crime Programs			
YOUTH PROGRAMS			
Youth Centers			
Child Care Centers			
Youth Services			
Child Care Services			
Other Youth Programs			
SENIOR PROGRAMS			
Senior Centers			
Senior Services			
Other Senior Programs			
ECONOMIC DEVELOPMENT			
Rehab; Publicly- or Privately-Owned Commercial/Industrial			
CI Infrastructure Development			
Other Commercial/Industrial Improvements			
Micro-Enterprise Assistance			
ED Technical Assistance			
Other Economic Development			
PLANNING			
Planning			
TOTAL ESTIMATED DOLLARS NEEDED:			

NOTES TO TABLE 2

Dollars to address rental housing needs are based on the estimated additional cost of adequate affordable housing for a 5 year period. Dollars to address owner units are based on the estimated additional cost to make units affordable or adequate.

Community development needs for infrastructure and economic development are shown on page III-66.

F. PUBLIC, PRIVATE RESOURCES

1. Federal Resources for Housing and Community Development

PROGRAM	AGENCY	PROGRAM DESCRIPTION	ELIGIBLE APPLICANTS
CDBG Non-Entitlement for States and Small Cities	HUD	Grant program. Low-income communities choose to do: neighborhood revitalization, economic development, provisions of improved community facilities, prevention and elimination of slums, activities aiding low-and moderate-income families.	All 50 states and Puerto Rico.
CDBG (Section 108 Loan Guarantee)	HUD	Allows CDBG communities to use their CDBG funds to guarantee loans/notes for development projects.	Metro cities and urban counties that receive entitlement grants, non-entitlement communities in states administering CDBG.
Community Development Block Grant (CDGB) Programs	HUD	Grant program. Urban communities choose to do: neighborhood revitalization, economic development, provisions of improved community facilities, prevention and elimination of slums, activities aiding low- and moderate-income families.	Metro cities, urban counties.
Comprehensive Grant Program	HUD	A formula-based funding program for PHA's and IHA's to make physical and management improvements. (Replace CIAP, see below). Upgrade living conditions, correct physical deficiencies, achieve operating efficiency.	PHA's/IHA's, public housing developments with 500+ units FY92, 250+ units FY93.
Department of Energy (DOE/Other Energy Programs)	DOE	Funds can be used for: rehabilitation, new construction.	
Emergency Shelter Grants (ESG) Program	HUD	Grants to improve the quality of existing emergency shelters and to increase the number of developing shelters for the homeless. Funds can be used for: renovation, conversion of buildings, rehabilitation, essential social services, operating costs, but not staff payroll.	States and Puerto Rico, formula cities, urban counties, territories.

USDA-Rural Development	HUD	Funds can be used for: acquisition, rehabilitation, new construction, rental assistance, home buyer assistance.	
HOME	HUD	Flexible grant program; participating jurisdictions decide how to use money for: acquisition, rehabilitation, new construction, tenant based assistance (TBA), home buyer assistance, planning, support services.	States, cities, urban counties, consortia.
HOPE 1(Public Housing Home-ownership) Program	HUD	Assistance to provide affordable homeownership for residents of public and Indian housing. Eligible activities for planning grants includes: replacement housing, development of resident councils, counseling, training and technical assistance, underwriting feasibility studies, preliminary architectural work, development of security plans.	Resident management corporations (RMC's), resident corporations (RC's) cooperative associations, public or nonprofit organizations, public bodies or agencies, public housing authorities (PHA's), Indian housing authorities (IHA's).
HOPE 2 (Homeownership of Multifamily Units) Program	HUD	Assistance for developing homeownership opportunities for low-income persons through the use of multifamily rental properties. Eligible activities for planning grants include: development of resident councils, counseling, training and technical assistance, underwriting feasibility studies, preliminary architectural work, development for security plans. Eligible activities for implementation include: rehabilitation, replacement reserves, legal fees, relocation, economic development activities, administrative and operating costs, acquisition.	RMC's, RC's, cooperative associations, public or nonprofit organizations, public bodies or agencies, PHA's, IHA's
HOPE 3 (Homeownership of Single Family Home) Program	HUD	Financial assistance for homeownership. Eligible activities for planning grants include: feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants or program planning.	Private nonprofit organizations, public agencies, cities, states, counties, PHA/IHA's in cooperation with a private nonprofit or cooperative.
Housing Opportunities for Persons with AIDS Program (HOPWA)	HUD	Two types of grants, entitlement and competitive, for housing assistance and supportive services for low-income persons with AIDS or related diseases and their families. Funds can be used for: acquisition,	Entitlement grants - Eligible states and qualifying cities for eligible metropolitan statistical areas (MSA) with the largest number of

		rehabilitation, conversion, lease, and repair of facilities, new construction, project-based or tenant-based rental assistance, planning, support services, operating costs, short term rent, mortgage, and utility payment, administrative expenses, other proposed activities (for competitive grants only).	cases of AIDS.
Lead Based Paint Abatement	HUD	Grant program to develop cost-effective community strategies; funds can be used for: rehabilitation, planning, operating costs.	States, local governments population must be over 50,000, Indian tribes. FY 93-anyone with an approved CHAS is eligible.
Low-Income Housing Preservation Program	HUD	Financial incentives to: retain project subsidized housing projects whose federal assistance is expiring. Sell to purchaser that will keep it for low-income persons.	Owners of low-income housing, RC's, nonprofit organizations, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions.
Public Housing CIAP	HUD	Rehabilitation/finance capital improvement in public housing developments. Upgrade living conditions, correct physical deficiencies, achieve operating efficiency.	PHA's/IHA's, public housing developments with less than 500 units in FY92, less than 250 units in FY93.
Public Housing Comprehensive Grant	HUD	Funds can be used for: rehabilitation, planning.	
Public Housing Development	HUD	To develop public housing, PHA's choose: "Turnkey"- using private developers, conventional-bid - PHA is its own developer, acquire existing housing. Funding can be: 100% development cost, annual contributions for operating subsidy, modernization funds for: acquisition, rehabilitation, new construction, rental assistance, support services.	PHA's apply in their jurisdiction, project sponsors apply to PHA's.
Rural Homelessness Grant Programs	HUD	Grants for providing direct emergency assistance, homeless prevention, and assistance for permanent housing. Eligible activities: rent, mortgage, or utility assistance, security deposits, support services, rehabilitation, short-term emergency lodging, transitional	Private nonprofit organizations, Indian tribes, county and local governments.

		housing, cost of using Federal inventory property programs, capacity building.	
Safe Havens Demonstration Program	HUD	Grants to provide very low-income housing for homeless persons with serious mental illnesses. Funds can be used for: new construction, acquisition, rehabilitation, leasing assistance, low-demand support services, outreach activities for eligible persons, operating costs.	States, local governments, private and public nonprofit organizations.
Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)	HUD	Funding to provide rental assistance on behalf of homeless individuals in connection with the moderate rehabilitation of SRO dwellings. Resources to fund the cost of rehabilitating the dwellings must be from other sources. Funding can be used for: operating expenses, debt service for rehabilitation financing, monthly rental assistance.	PHA's, IHA's, private nonprofit organizations (for FY93, nonprofits must subcontract with a PHA to administer SRO assistance).
Section 8 Rental Certificate Program	HUD	Rental assistance payments to private owners who lease their units to assisted families.	PHA's administer the program.
Section 8 Rental Voucher Program	HUD	Rental assistance payments to private owners who lease their units to assisted families.	PHA's administer the program.
Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)	HUD	Funding to provide rental assistance on behalf of homeless individuals in connection with the moderate rehabilitation of SRO dwellings. Resources to fund the cost of rehabilitating the dwellings must be from other sources. Funding can be used for: operating expenses, debt service for rehabilitation financing, monthly rental assistance.	PHA's, IHA's, private nonprofit organizations (for FY93, nonprofits must subcontract with a PHA to administer SRO assistance).
Shelter Plus Care Program	HUD	Grants for rental assistance that are offered with support services to homeless with disabilities.	States, units of local government, Indian tribes, PHAs.
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	HUD	Grants for innovative homeless programs.	States, metropolitan cities, urban counties, Indian tribes, government entities, private nonprofit organizations.

Supportive Housing for Persons with Disabilities (Section 811)	HUD	Funding to expand housing with supportive services: group homes, independent living facilities, intermediate care facilities.	Private, nonprofit organizations.
Supportive Housing of the Elderly (Section 202) Program	HUD	Capital advances to private, nonprofit sponsors to finance elderly housing that also offers supportive services. The non-interest bearing advances are based on development cost limits published periodically in the Federal Register. Project rental assistance covers only the difference between the HUD approved cost per unit and the amount the resident pays. No money can go for debt service. Funds can be used for: acquisition, rehabilitation, new construction, rental assistance, and support services.	Private, nonprofit and consumer cooperatives.
Surplus Housing for Use to Assist the Homeless	HUD	Rent-free, suitable Federal properties that are leased to homeless organizations. These organizations must pay operating and any rehabilitation and/or renovation costs.	Homeless organizations.
The Supportive Housing Program	HUD	Grants to public and private nonprofit entities to promote the development of supportive housing and services. Funds can be used for: acquisition, rehabilitation, new construction under limited circumstances, leasing of structures, operating costs, supportive services costs.	State, metro cities, urban counties, government entities, Indian tribes, private nonprofit corporations, local governments, community mental health associations that are public nonprofit organizations.

2. State Resources for Housing and Community Development

PROGRAM	AGENCY	PROGRAM DESCRIPTION	ELIGIBLE APPLICANTS
Acquisition/Rehab Homeownership Program	MSHDA	Provides loans to single family households for the acquisition and rehab of existing homes. Household income may not exceed \$43,575.	Family income below \$43,575.
Adult Education for the Homeless	MDE	Provides assistance to state education agencies providing literacy training for adult homeless individuals.	State education agencies
Critical Needs	MSHDA	Provides funding for critical or one-time needs of shelter such as emergency rehabilitative services.	Emergency Shelters
Emergency Needs for Veterans	MVTF	Provides temporary assistance to Michigan Veterans including food, shelter, clothing, utilities and medical assistance.	Michigan veterans
HOME Acquisition Development Resale (ADR)	MSHDA	Grants and no-interest loans may be use to make units affordable to families with incomes below 80% of area median income.	Community based organizations and local units of government.
HOME Downpayment Assistance	MSHDA	Provides homeownership assistance of up to \$5,000 per unit. All first time home buyers must have incomes of 80 percent of median or less.	Nonprofit organizations, local units of government or lenders participating in the MSHDA Single Family Mortgage Program.
HOME Rental Rehabilitation	MSHDA	Forgivable loans will be provided for 75 percent of rehab amount, up to \$14,999 per unit. All units must be affordable to households at 60 percent of median or less with at least 20 percent of the units affordable to households with incomes less than 50 percent of median.	Local units of government.
HOME Team Advantage	MSHDA	Provides 1% long-term financing for housing developments of 12-49 units in rural areas. All units must be affordable to households at 60 percent of median or less with at least 20 percent of units affordable to households with incomes less than 50 percent of median.	Qualified nonprofits, for profits, consumer housing cooperatives, and limited divided housing association limited partnership

Home Heating Credit	Treasury	Provides a tax credit for low-income households base on income, number of exemptions, and actual home heating costs.	Low -income households including FIP, and SDA recipients. Heating costs.
Homeless Children and Youth	MDE	Provides funding to state education agencies to develop and implement programs for the education of homeless children.	
Homestead Property Tax Credits	Treasury	Provides a refundable tax credit to homeowners with high property tax burdens.	No limitation, however, credit varies depending on age, veteran, disability, etc.
Independent Living Services to Homeless and Runaway Youth	FIA	Provides services to homeless and runaway youth through a network of nonprofit community based shelters.	
Low-Income Home Weatherization Program	FIA	Provides assistance for eligible households for energy conservation measures.	Community Action Agencies.
Michigan CDBG Program	MSHDA	CDBG funds are used by local units of government to provide loans and grants for the rehabilitation of single family and rental units serving low and moderate income households and to make neighborhood improvements.	Small cities and non-urban counties.
Michigan Mortgage Credit Certificate Program	MSHDA	Provides a 20% federal income tax credit on mortgage interest. Household income may not exceed \$43,575 annually or \$50,055 in distressed areas.	Family income below \$43,575, purchase price is below \$99,000 for a new home and \$80,000 for an existing home.
Michigan Veterans Trust Fund	MVTF	Provides temporary emergency assistance grants for food, shelter, clothing, utilities and medical assistance.	Honorably discharged veterans with a specified number of days active wartime service.
Migrant Labor Housing Construction Grant Program	MDA	Provides grants for the improvements to and the construction of migrant housing.	Migrant Camp Owner

Modified Pass Through Program	MSHDA	Provides mortgage loans for new construction of rehabilitation or rental units. Bonds are backed by credit enhancement provided by the developer.	Qualified nonprofit, consumer housing cooperatives, and limited divided housing association limited partnerships.
MSHDA Moderate Rehabilitation Loan Program	MSHDA	Provides owner financing for the private funds required to match the HRRP assistance.	Communities participating in the HOME Rental Rehabilitation Program.
Neighborhood Preservation	MSHDA	Provides financing for demolition, infrastructure and beautification and rehabilitation and/or new construction of rental or owner occupied housing to revitalize targeted neighborhoods.	Communities with population greater than 10,000 and qualified nonprofit corporations.
PATH	MDCH	Provides assistance for outreach case management, mental health and substance abuse treatment, and supportive housing for the homeless mentally ill.	
Property Improvement Program (PIP)	MSHDA	Provides low interest loans to low and moderate income families for home improvements. Household income may not exceed \$43,575 annually.	Family income below \$43,575.
Senior Citizen Rent Subsidy	Treasury	Provides a refundable tax credit up to \$1,200 for seniors who use over 40% of their income for rent.	Senior Citizen.
Shared Housing	MDCH/OSA	Provides transitional housing for older persons where at least two unrelated persons share common areas but maintain separate sleeping and bath areas.	
Shelter Advisors	MDCH/OSA	Employs older workers to provide localized information about services for energy assistance, housing, home safety and repair, chore services, legal assistance, visiting nurses and transportation.	Advisors must be at least 55 and be low income, and recipients of assistance can be any senior.
Single Family Mortgage Program	MSHDA	Provides low interest rate mortgages for new and existing houses, new single section mobile homes must be under \$43,575 annually for the purchase of a new home or existing home.	Family income below \$43,575, purchase price is below \$99,000 for a new home and \$80,000 for an existing home.
Special Assessment Deferment Program	Treasury	Permits deferral of special assessments for low-income seniors and totally and permanently disabled persons until they die or sell their home.	

State Disability Assistance	FIA	Provides cash assistance for disabled person.	Disabled persons not eligible for FIP.
Tax Exempt Direct Lending (TEAM)	MSHDA	Provides low interest mortgages for new construction of 50 to 150 rental unit developments. At least 40% of the units must be affordable to households at 60 percent of median or less.	Qualified nonprofit, consumer housing cooperatives, and limited dividend housing association limited partnerships.
Taxable Bond/Low income Housing Tax Credit (LIHTC) Program	MSHDA	Provides mortgage loans in conjunction with the 9% LIHTC for new construction or substantial rehabilitation of rental developments.	Qualified nonprofit, consumer housing cooperatives, and limited divided housing association limited partnerships.

3. Nonprofit Organizations

a. Intermediaries. Intermediaries are not-for-profit groups whose role is the nurturing of new public-private partnerships and the promotion of networking on the local, state, and national scene.

The usefulness of intermediaries is limited by their lack of exposure to the nonprofit housing development community. Once introduced to the community, the intermediaries can facilitate business participation by screening projects, assembling other funding partners, providing technical assistance, and spreading out the investment risks. The creation of a delivery system that will provide introductions for nonprofit housing developers to the intermediaries is critical. The strategy proposed includes the centralization of housing funding resources and will provide a referral and networking capability.

i. National Intermediaries. The 3 most prominent intermediary players nationally are the Local Initiatives Support Corporation (LISC), Neighborhood Housing Services, and the Enterprise Foundation. These 3 intermediaries have played active roles in the development and coordination of partnerships. They have also provided grants, loans, and technical assistance that enabled the partnerships to utilize other sources of funding. LISC, through its National Equity Fund, has provided access for several nonprofits to a pool of corporate investments through the Low Income Housing Tax Credit.

In addition, Fannie Mae, the Federal Home Loan Bank, and Freddie Mac have all introduced low and moderate income housing initiatives. These initiatives offer a variety of financing options that allow the use of grants, interest reduction, tax credit, and subsidy to achieve affordable housing for rental and sale. The Development Training Institute functions not only as an educational development entity but also provides a networking and sharing experience for nonprofit housing developers.

ii. State and Local Intermediaries. State and local intermediaries provide assistance to emerging organizations throughout the state. For example, the Michigan Capital Fund for Housing offers a networking system to nonprofit organizations interested in housing and sponsors a variety of training and coordinating activities.

In the larger urban areas of the state, notably Detroit, local intermediaries are active. The Detroit Neighborhood Investment Corporation and the Detroit Economic Growth Corporation both were created by the business community in Detroit to foster economic and housing development. The Detroit Economic Growth Corporation created Neighborhood Economic Development Strategies (NEDS) for 5 community organizations in Detroit. NEDS is a coordinated strategic planning process for each community with an ongoing implementation component.

b. Statewide Nonprofit Organizations and Networks

i. Michigan Housing Trust Fund. The Michigan Housing Trust Fund is a private, nonprofit corporation created to aid in the production of affordable housing through loans and technical assistance.

- ii. Michigan Community Development Directors Association. Michigan Community Development Directors Association (MCDDA) meets regularly and has over 114 participating members and an active housing committee.
- iii. Michigan Coalition Against Domestic Violence. The Michigan Coalition Against Domestic Violence is a private coalition that is responsible for policy reform on housing related issues for victims of domestic violence. It provides technical assistance and a resource library available to the victims.
- iv. Michigan Coalition of Shelter Providers. The Michigan Coalition of Shelter Providers is a private agency which acts as a network of emergency shelter providers throughout the state. The Coalition serves not only shelter providers but the general public as well and is responsible for providing additional resources to new shelters and staff.
- v. Michigan Community Action Agency Association. The Michigan Community Action Agency Association acts as a liaison between the legislature and local community action programs (CAP). It is also responsible for providing educational resources to the local CAPs so that they can better serve those in the community who have special needs.
- vi. Michigan Habitat for Humanity. A nonprofit agency which receives most of its funding from individuals, churches, corporations, and other organizations in order to benefit low income families and first time homeowners. As a Christian housing ministry, its goal is to eliminate poverty housing by building new houses.
- vii. Michigan Housing Coalition. A nonprofit housing coalition, that serves the general public by providing advocacy for statewide housing issues. It also monitors housing programs and policies while acting as a resource network for organizations, individuals, and civic groups who assist with housing work. The coalition offers a networking system to help nonprofit organizations interested in housing projects and sponsors training activities.
- viii. Michigan Legal Services. A nonprofit legal agency, Michigan Legal Services provides legal assistance to low income individuals and families in the areas of housing, health, family, food and nutrition, and employment law.
- ix. Farmworker Legal Services. A nonprofit legal agency, Farmworker Legal Services provides legal assistance to migrant and seasonal farmworkers in the areas of housing, health, family, food and nutrition, and employment law.
- x. Michigan Migrant Legal Assistance Project. A nonprofit agency which provides legal assistance to migrant workers and seasonal farmworkers, including cases of housing discrimination.
- xi. Sexual Assault Information Network of Michigan. A public social service agency aimed at helping battered women and their children find shelter through the publication of its statewide directory. It also serves the needs of victims of domestic violence by providing information on various services available.

- xii. Michigan Consumer's Council. A private group, the Michigan Consumer's Council provides counseling to the general public regarding a variety of housing problems. It is also responsible for providing legislative analyses on housing and consumer issues as well as legislation.
- xiii. Michigan Economics for Human Development. Aimed at migrant workers and their families, this private financial agency operates housing developments for the elderly, handicapped, and farm workers as well as providing housing subsidies. This agency is also responsible for weatherization programs, the presentation of education workshops, and the provision of emergency assistance around the state.
- xiv. Michigan Protection and Advocacy Service. A private mental health agency that assists individuals with developmental disabilities and mental illness. The agency focuses on the needs of individuals with severe and chronic mental or physical handicaps by providing information, education, and legal assistance.
- xv. Community Economic Development Association of Michigan. The Community Economic Development Association of Michigan (CEDAM) is a private, nonprofit voluntary association of community development corporations (CDCs) and other members interested in expanding community based housing and economic development in Michigan. It has over 100 organizational members.
- xvi. Michigan Small Cities Association. The Michigan Small Cities Association (MSCA) was formed in 1996 as a voluntary, grass roots organization of communities either receiving or eligible for CDBG or HOME funds from the State. MSCA became affiliated with the Michigan Community Development Directors Association (MCDDA) in 1998. The purpose of MSCA is to provide networking and training opportunities to its members and to work closely with funding organizations.
- xvii. Michigan Capital Fund for Housing. The Michigan Capital Fund for Housing is a non-profit housing corporation that was formed in 1993 to raise and invest equity in affordable housing that is targeted to all or part of the following preferences: development in distressed areas, developments with non-profit ownership, projects less than 50 units, and projects that serve special needs populations.

4. Private Industry

- a. **Private Lenders.** MSHDA's participating lenders have supported the implementation of a wide range of affordable homeownership efforts by marketing MSHDA's mortgage programs to community residents. Recently, lenders have supported MSHDA's HOME-funded down payment assistance by providing a one-stop site for eligible families to access HOME funds; MSHDA provides an additional fee to these lenders to cover the added cost incurred in processing HUD-required paperwork.
- b. **The Detroit Lenders' Consortium.** A group of 10 prominent Detroit-area lenders have banded together to coordinate homeownership programs offered in conjunction with the City of Detroit's designated Empowerment Zone. The existence of this group is expected to facilitate communications among the City of Detroit, MSHDA, and the participating lenders, not only in the Empowerment Zone, but in the implementation of affordable housing programs throughout southeastern Michigan.

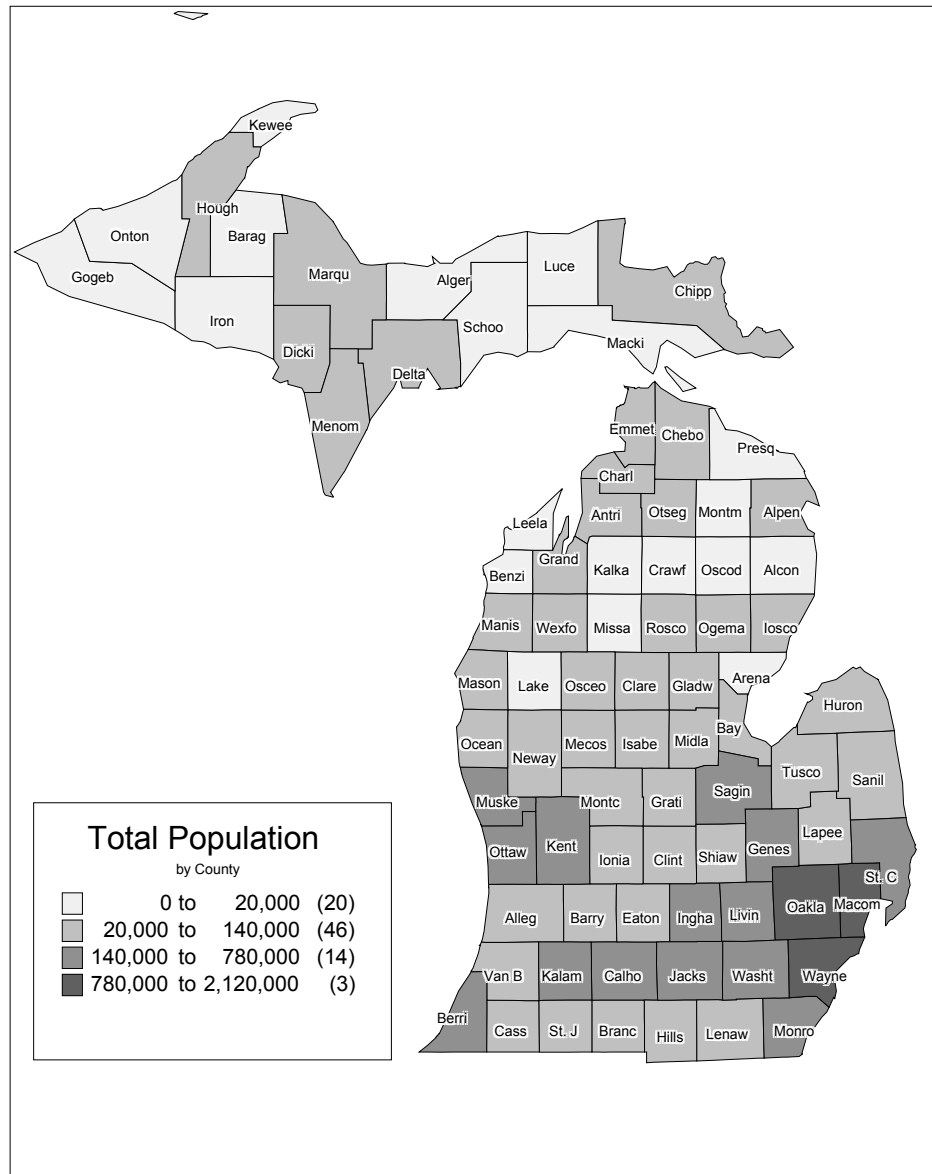
c. Michigan Housing Council. The Michigan Housing Council (MHC) is a membership organization of housing development professionals including attorneys, architects, management agents, builders, and developers involved in the production of low and moderate income housing.

The Council was primarily formed to encourage legislative action sympathetic to the development of affordable housing for the residents of Michigan. MHC has worked closely with the Michigan State Housing Development Authority in developing and refining new programs and making existing programs more responsive to the needs of the low income housing development community.

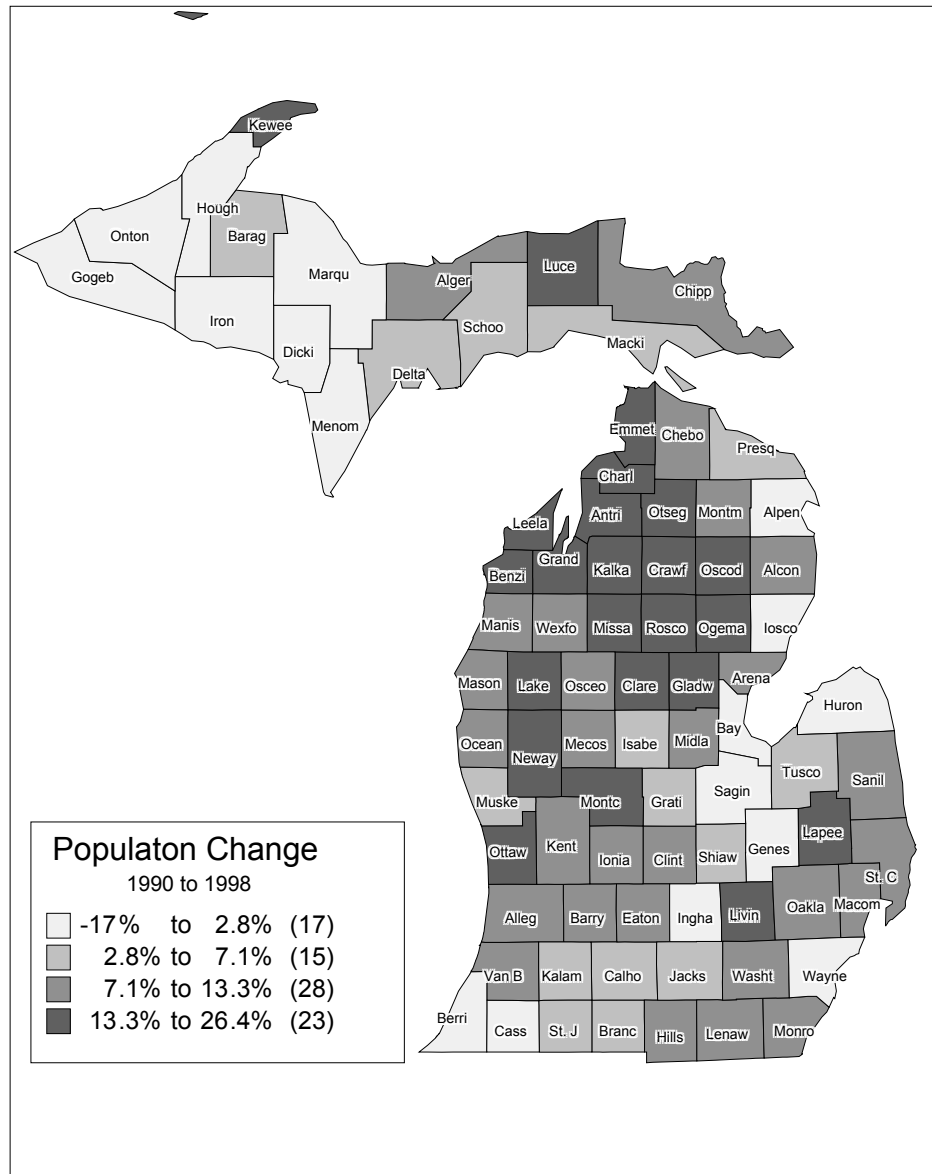
[illegible]

Michigan

1998 Total Population

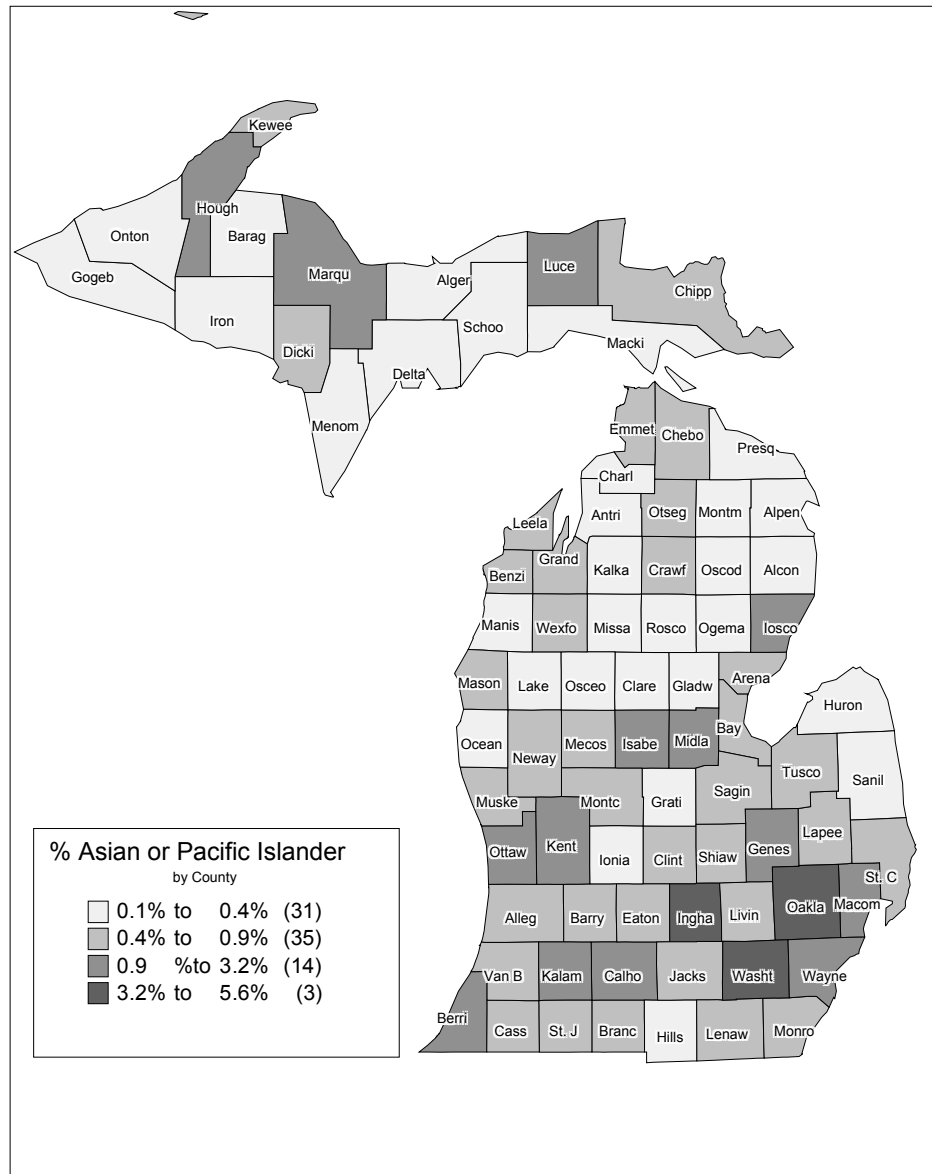


Michigan Percent Population Change 1990 to 1998

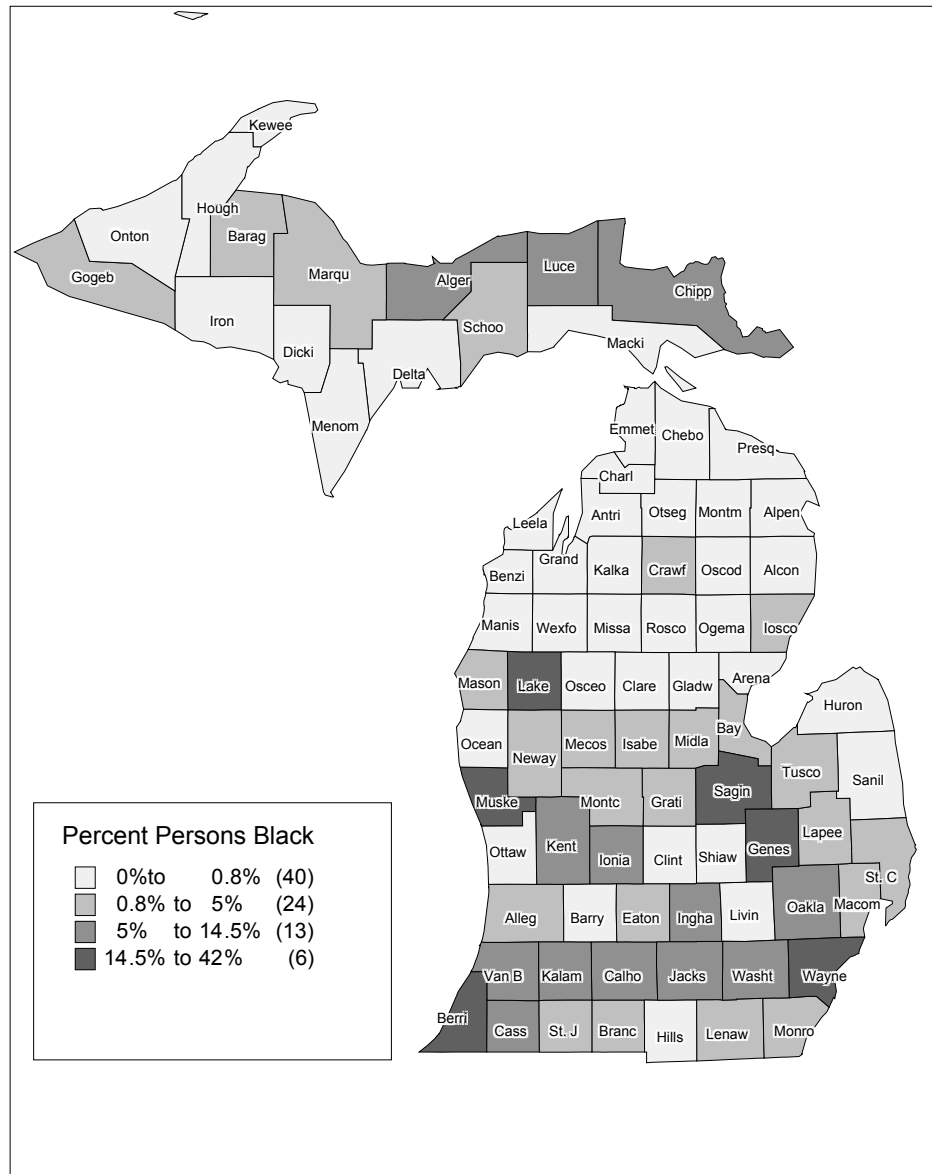


Michigan

1997 Percent Population Asian or Pacific Islander (API)

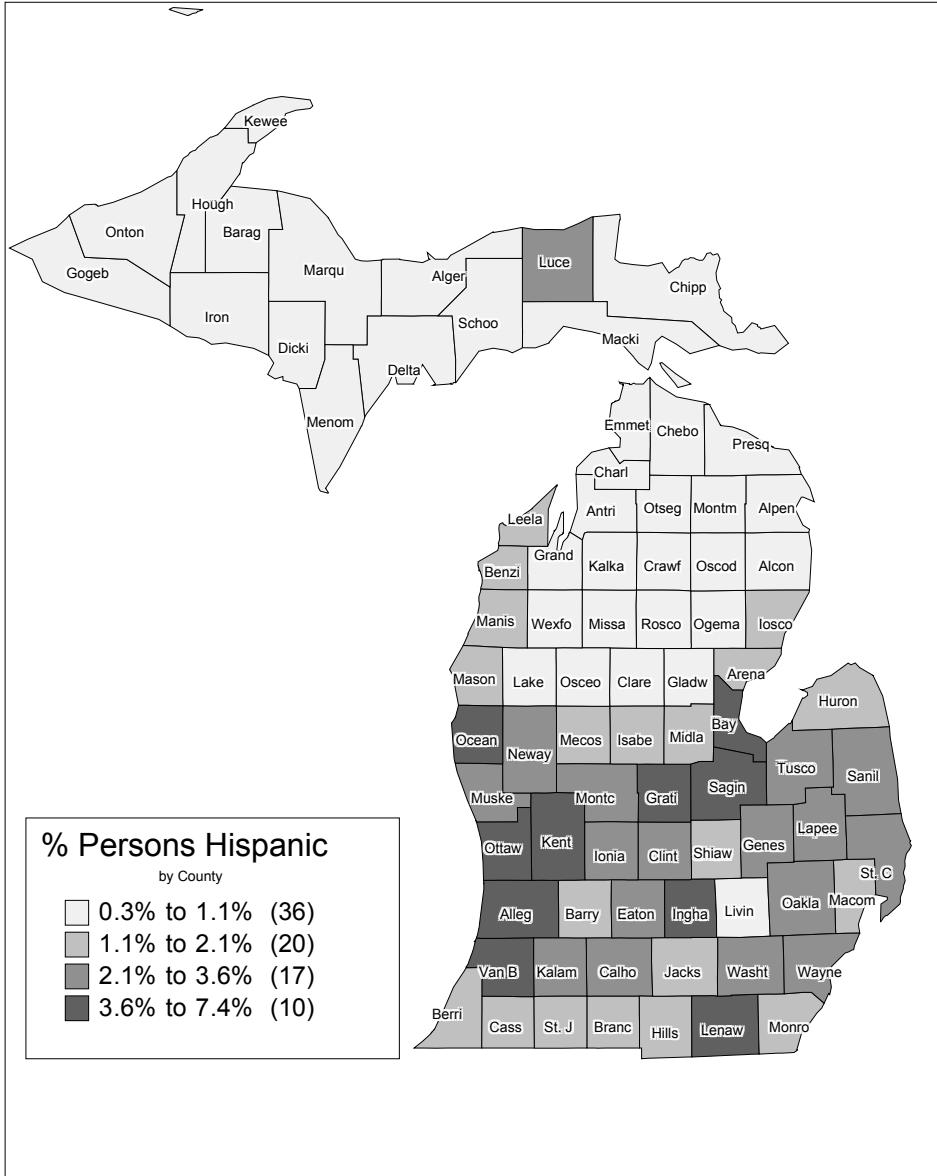


1997 Percent Population Black



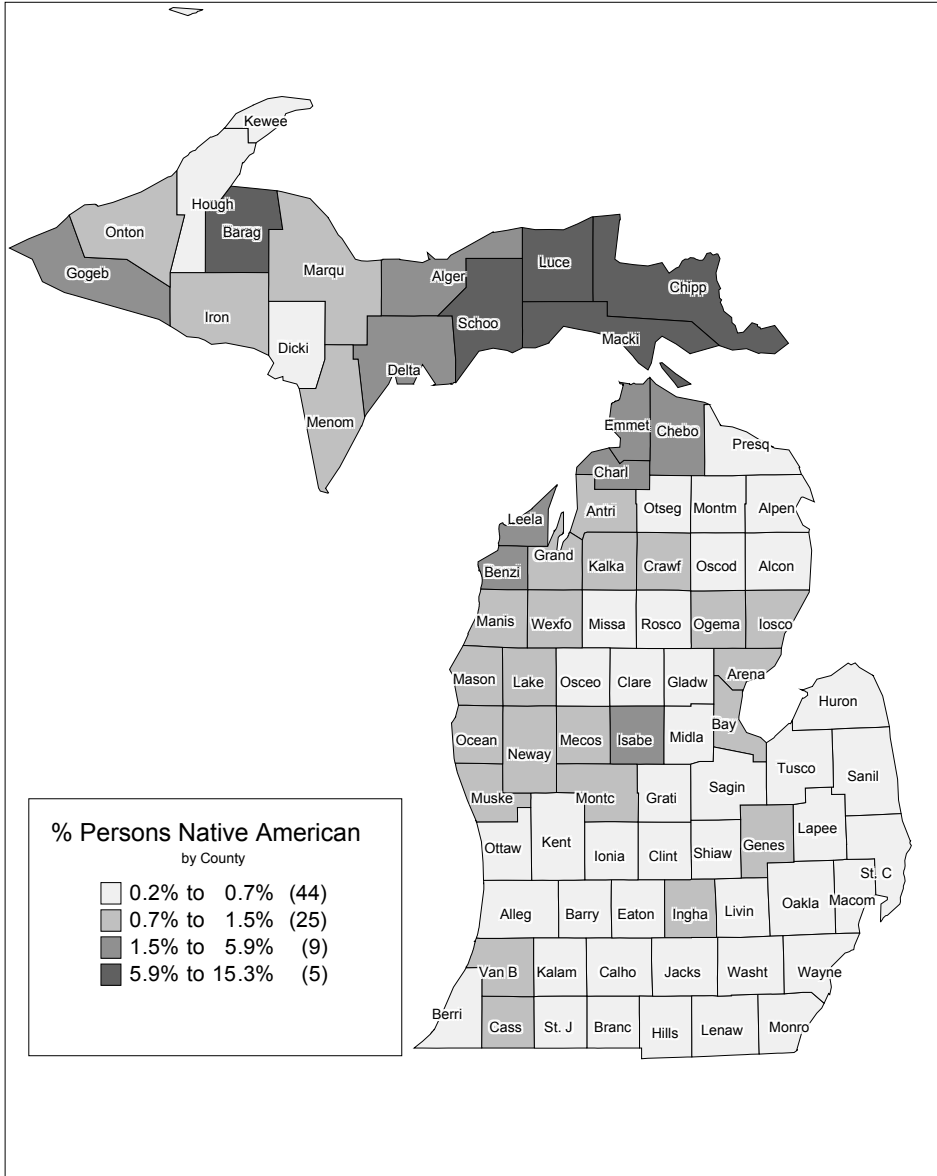
Michigan

1997 Percent Population Hispanic

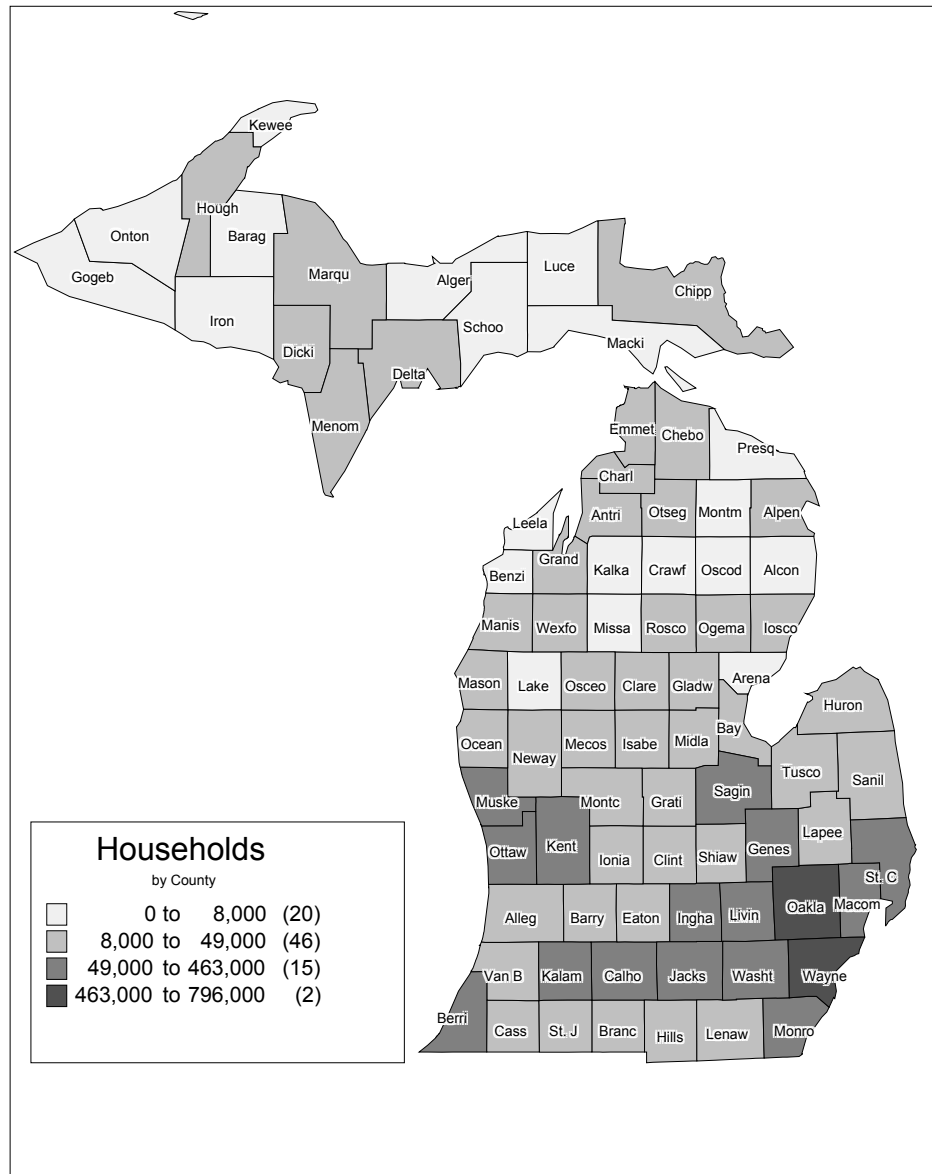


Michigan

1997 Percent Population Native American

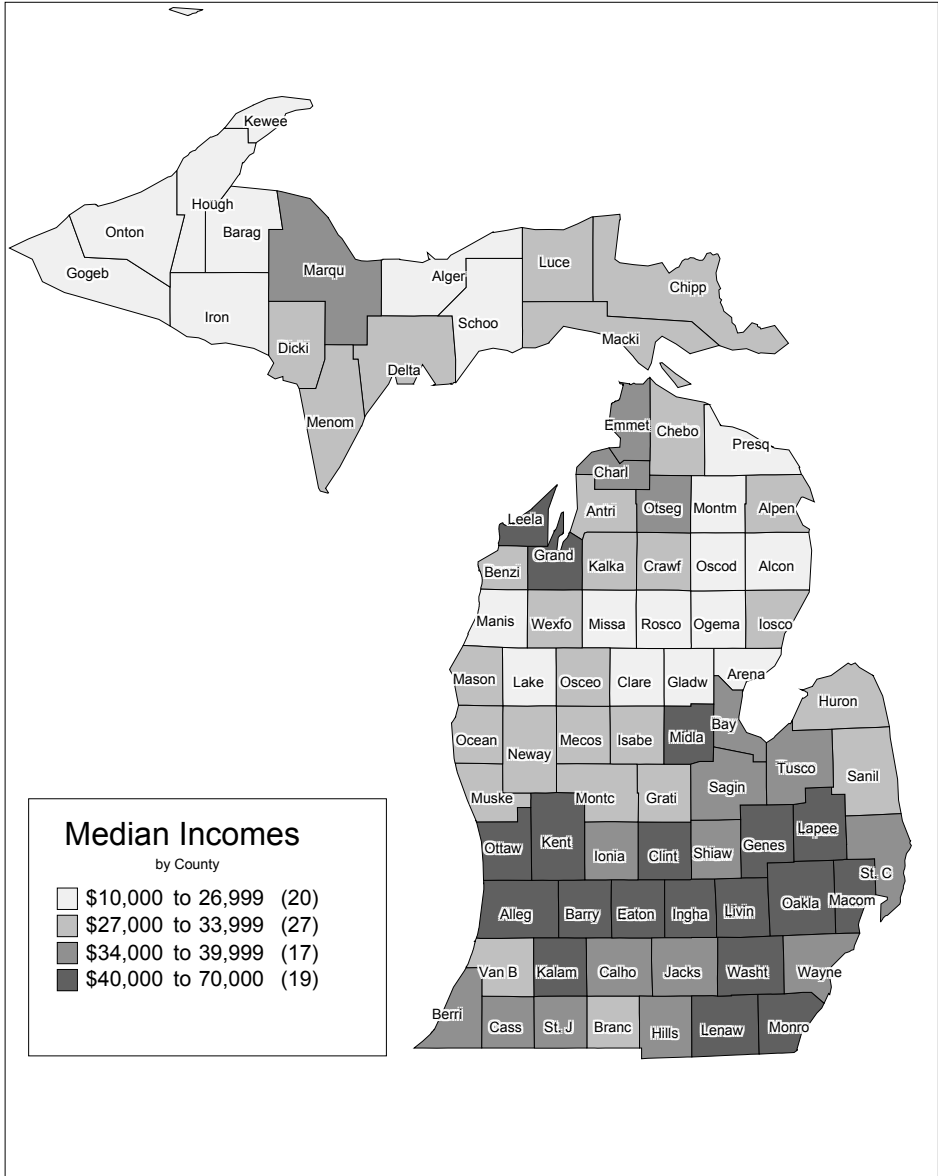


Michigan 1998 Households



Michigan

1998 Median Incomes



Michigan

1998 Percent Unemployment

